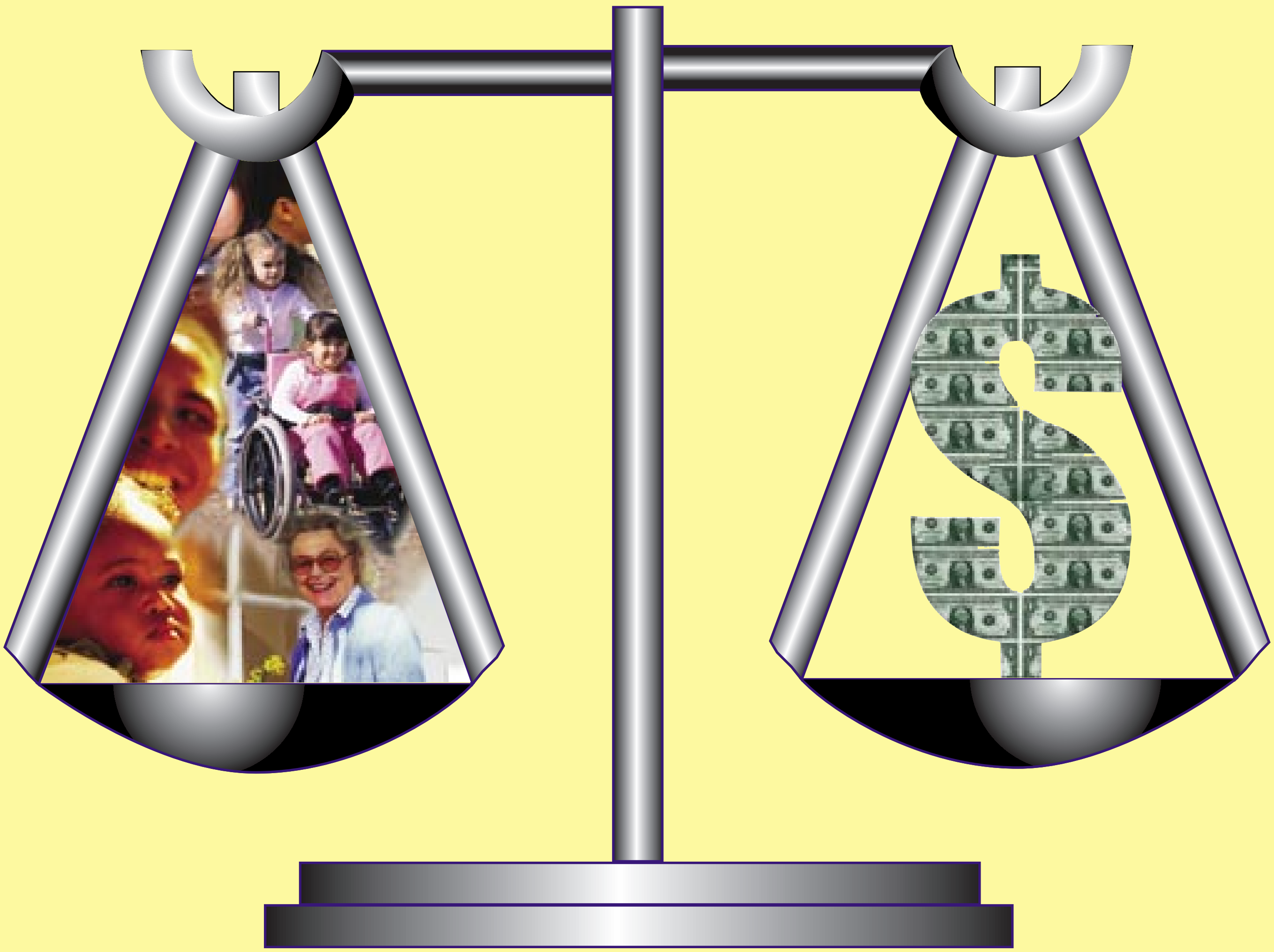
Rent and Income Determination Quality Control Monitoring Guide



"The right benefits go to the right persons"

U.S. Department of Housing and Urban Development
Office of Multifamily Housing Programs

John C. Weicher
Assistant Secretary for Housing-Federal Housing Commissioner

August 12, 2003
Date

RENT AND INCOME DETERMINATION QUALITY CONTROL MONITORING GUIDE

TABLE OF CONTENTS

List of Tables

List of Exhibits

List of Acronyms

ACC .... Annual Contributions Contract
APPS .... Active Partners Performance System
CFR .... Code of Federal Regulations
GPO .... Government Printing Office
Guide .... Rent and Income Determination Quality Control Monitoring Guide
HAP .... Housing Assistance Payment
HQS .... Housing Quality Standards
HUD .... U.S. Department of Housing and Urban Development
IPA .... Independent Public Accountant
IG .... Inspector General
LDP .... Limited Denial of Participation
NARA .... National Archives and Records Administration
Non-PBCA .... Traditional, Non-Performance Based Contract Administrator
OIG .... Office of Inspector General
OMHAR .... Office of Multifamily Housing Assistance Restructuring
PBCA .... Performance Based Contract Administrator
PD&R .... Office of Policy Development and Research
PRACS .... Project Rental Assistance Contracts
REMS .... Real Estate Management System
TPA .... Transfer of Physical Assets
TRACS .... Tenant Rental Assistance Certification System

TTP .... Total Tenant Payment
2530 flags................................ Flags from Previous Participation Certification submission
59 data.. 50059 data requirements for data submitted to TRACS

PART I. INTRODUCTION AND PURPOSE

In 2001, the U.S. Department of Housing and Urban Development (HUD) Office of Policy Development and Research (PD&R) issued the *Quality Control for Rental Assistance Subsidies Determination* study. This study provides national estimates of the extent, severity, sources, and costs of rent errors in HUD's rental assistance programs. The study found that substantial errors were being made in the income and rent determinations that set the subsidies HUD pays on behalf of families who receive assistance. It is HUD's goal to reduce the errors in rent and income determination by 15 percent in fiscal year 2003, 30 percent in fiscal year 2004, and 50 percent by fiscal year 2005. This *Rent and Income Determination Quality Control Monitoring Guide* (*Guide*) was developed as part of the Department's effort to reduce errors in income and rent determinations and to ensure that the right benefits go to the right persons.

This *Guide* provides guidance to contract administrators in conducting on-site occupancy monitoring reviews of HUD's assisted multifamily housing. A contract administrator may be HUD staff, a performance based contract administrator (PBCA), or a traditional, non-performance based contract administrator (non-PBCA). The primary objectives of the reviews described in this *Guide* are:

- To detect and reduce errors in income and rent determinations
- To reduce rent underpayments and/or overpayments by residents
- To maximize HUD's housing resources, thereby assuring maximum participation in HUD's housing programs by as many eligible families as possible

The *Guide* should be used in conjunction with the Leasing and Occupancy section of Form HUD-9834, Management Review Questionnaire. The purpose of this *Guide* is to provide technical assistance to the contract administrator to ensure that quality control monitoring of income and rent determination during management and occupancy reviews is adequate and effective.

This *Guide* provides technical guidance and tools designed to provide the reviewer with a structured and systematic approach to monitoring income and rent determinations and ensuring that errors are corrected. This structured approach will allow HUD to assess the errors on a national basis and track the reduction in errors to ensure that HUD's goal to significantly reduce errors is accomplished.

PART II. QUALITY CONTROL MONITORING OF RENT AND INCOME DETERMINATIONS

A. Components of a Review

A management and occupancy review involves:

1. **Scheduling the review**

2. **Confirming the review in writing**
   a. Identify the documents that should be available.
   b. Identify the people who should be present during the review.
   c. Identify the date, time, and review team.

3. **Reviewing materials available in the contract administrator's office (desk review) prior to the on-site review**

4. **Holding an on-site entrance conference with participating project staff**
   a. Explain how the monitoring review will be conducted.
   b. Identify key staff that will be assisting in the review.
   c. Confirm activities to be reviewed and the files that will be reviewed.
   d. Explain that a report will be issued and a response will be required.

5. **Conducting the review**
   a. Use program statutes, regulations, handbooks, and the Leasing and Occupancy portion of the Form HUD-9834 as a guide.
   b. Review files and verify information.
   c. Review office policies and procedures.
   d. Document evidence that supports conclusions made during the review.
   e. Determine if errors or deficiencies are isolated incidences or repeated incidences.
   f. Interview staff responsible for performing specific duties and implementing policies.

6. **Holding an exit conference with participating project staff**
   a. Communicate the results of the review. The results are summarized orally at the exit conference and followed up by a written report of concerns, errors, and findings.
   b. The conclusions may be:
      (1) Recognition—there were achievements.
      (2) Observations—there were concerns or errors that may become findings if not corrected.
      (3) Findings—there were conditions that are not in compliance with the handbook, regulations, or statutory requirements.

7. **Writing the review**

8. **Communicating the review report to the owner**

9. **Following up**
   a. Calendar tickler
   b. Sanctions
   c. More follow-up

10. **Closing out**

B. Assessing Owner Management of Occupancy Responsibilities

The owner must design internal policies, procedures, and processes to manage occupancy responsibilities. This section includes issues to consider when performing a review of the owner's management practices.

The management of occupancy responsibilities at a property involves many elements, including:

- Owner organization and staffing
- Training and technical support for staff
- Tenant selection plan
- Policies and procedures for applicant intake
- Policies and procedures for waiting list management

- Policies and procedures for initial certification and annual recertification
- Policies and procedures for verification
- Communication with applicants and tenants
- Interview tools used to identify family circumstances, sources of income, and other necessary information
- Software programs that automate the occupancy management process and income and rent calculations
- Submission of required information to HUD, including mandatory tenant income and family characteristics, that was previously collected on the paper HUD-50059 Form (59 data) but is now submitted electronically to the Tenant Rental Assistance Certification System (TRACS)
- Policies and procedures used to validate and correct outstanding voucher and tenant information

The occupancy function is comprised of a group of interrelated activities. Each owner may have different policies and procedures to handle these responsibilities. For example, an owner may perform all determinations of rent manually and provide the information to a service provider for automated submission to TRACS. Another owner may have computer software to accomplish the determinations of rent and to submit the information to TRACS. However, all processes and policies used must be consistent with HUD's policies and regulations.

When conducting a review focused on income and rent determination, the reviewer must understand how an owner manages occupancy tasks and responsibilities. The reviewer must become knowledgeable of an owner's occupancy policies and procedures and understand how activities are interrelated. Knowledge of the owner's occupancy policies and procedures will help the reviewer to detect and understand income and rent determination errors and their underlying causes. The reviewer should always be cognizant of the larger occupancy function of a property and how the unique occupancy policies and procedures of that property impact determinations of income, rent, and subsidy payment.

Functional areas that should be assessed during the review include:

- The knowledge and skill levels of the staff performing occupancy functions. Staff should understand and apply HUD's occupancy rules and regulations and the owner's internal policies and procedures.
- The training program provided for staff performing income and rent determinations. Training should be available for new staff and seasoned staff. Assess owner's process for keeping staff informed of changes in procedures or HUD requirements.
- Internal quality control systems developed by the owner as a "check" on income and rent determinations. Quality control systems need not be elaborate

to be effective. A common quality control system is a review of owner staff income and rent determinations by a supervisor or management company occupancy specialist.

- Occupancy policies on admissions, recertifications, interim recertifications, income determinations, and rent calculations. Changes in laws, regulations, or HUD policies should have been incorporated into the owner's policies and the policies should reflect the actual practices used at the project.
- Owner "job-aids" used for occupancy management and income and rent determinations. Forms, worksheets, guides, and other job aids should accurately reflect current program requirements and result in correct income and rent determinations.
- Computer software or computer programs used to automate management of the occupancy processes. The reviewer should have the owner's staff "walk" them through the system, describing and explaining the various data screens, data input requirements, and system-generated reports. The reviewer must ensure that the system handles occupancy requirements, as appropriate, and that the owner's staff understands how and why their system handles occupancy data as it does.
- Unique approaches the owner may have developed to handle occupancy functions. Examples of areas where unique approaches may be employed by the owner are: how information is gathered and verified; use of processes, forms, worksheets, and checklists developed in-house; and use of computer software applications. The reviewer must understand unique approaches to adequately monitor the owner's occupancy processes.

The processes for accepting and processing applications, scheduling and processing reexaminations, conducting interviews, and gathering necessary information are crucial for successful income and rent determinations.

C. Selecting Owners, Projects, and Contracts for Quality Control Reviews

The risk to HUD subsidy funds should be considered when scheduling monitoring reviews. A risk analysis should be conducted on all projects where HUD is the contract administrator to determine the order to schedule reviews for projects or contracts in the HUD portfolio. PBCAs and non-PBCAs may conduct a risk analysis as part of their preparation for the annual review of projects or contracts assigned to them.

The selection of a project or specific assistance contract for a review is based on an evaluation of the project's or contract's risks—meaning that there are factors that indicate the potential for errors in determining income and rent. This risk may result in a loss of subsidy funds to the government or a reduced benefit to the tenant. Monitoring based on risk does not mean that only participants with a potential for great risk are selected for review; however, projects that exhibit the greatest risk should be scheduled first. All projects and contracts should be reviewed periodically, and reviews should be conducted at least every three years.

The following factors should be considered when determining the risks associated with projects or contracts during the review selection process:

TABLE 1 – RISK FACTORS FOR DETERMINING SELECTION REVIEWS	
1	The amount of funding expended—high subsidy payments versus low subsidy payments
2	Transfer of physical assets (TPA) to first time participants
3	New management, change in key staff, or poorly trained staff
4	Uncooperative management
5	Office of Multifamily Housing Assistance Restructuring (OMHAR) Watch List project/contract
6	Owner has outstanding flags resulting from their Previous Participation Certification submission (2530 flags)
7	Project has high vacancy
8	Poor performance rating: management reviews, physical inspections (abatement of units not meeting Housing Quality Standards (HQS)), or annual financial statements (auditor reports findings relating to tenant files or management practices)
9	New contracts (Section 202/811 Project Rental Assistance Contracts (PRACs))
10	High volume of fair housing complaints, tenant complaints, or community complaints
11	Length of time since last review
12	Mix of program types for single project
13	TRACS Project Evaluation Query reflects an excessive number of households with zero income, paying minimum rent, having no assets, or having no medical expenses
14	No TRACS 59 data, or TRACS 59 data entered for less than 85 percent of assisted units
15	Housing Owners Certification and Application for Housing Assistance Payments (HUD-52670) voucher not being transmitted
16	Project not receiving subsidy payments, in default or financial distress, co-mingling funds from another source, taking advances from the Reserve for Replacements account, or having other financial problems
17	Housing Assistance Payment (HAP) adjustments on the HUD-52670 voucher is out-of-line with previous adjustments and/or very large adjustments shown under miscellaneous
18	HUD-52670 voucher requests consistently exceed the 180 percent threshold rule, requiring the Financial Management Center to review the voucher
19	Two or more contracts for the same property have been merged to create one remaining contract. The common problem in this case is double-billing—billing for both the original contract and the merged contract.

D. Conducting the Desk Review

Prior to an on-site visit, the reviewer should research information available in the contract administrator's office files. This in-office information should be used to gain a better understanding of the processes used at the project and to help focus the on-site monitoring effort. The reviewer should gather and organize as much material as possible prior to the on-site review. Pre-review of in-office information can save valuable on-site review time.

1. In-office Resources

This section focuses on resources available to the reviewer in the office, including:

- Owner policies (if available)
- Prior reviews and audits, including unsatisfactory or below average scores in the Leasing and Occupancy section of the management review, physical inspections, independent public accountant (IPA) audits, and Inspector General (IG) audits
- General office files with information on tenant complaints and other issues involving the project
- TRACS reports and queries
- REMS data
- Statutes and regulations

2. Tenant Rental Assistance Certification System (TRACS)

This section discusses how TRACS can be used to prepare for the income and rent quality control review. The reviewer will examine TRACS reports for the project and contract(s) to identify specific income- and rent-related issues, particularly income and rent discrepancies in the voucher and certification reports. Where discrepancies are noted, specific tenant families may be identified as candidates for the on-site tenant file sample review. Section 2.b, below, identifies queries available to the reviewer. The queries will be used to:

- Determine owner compliance
- Validate and correct voucher and tenant information
- Validate and correct subsidy tracking and payments

TRACS information is the centerpiece of the monitoring efforts for an on-site review of income and rent determinations. **It is critical that the information in TRACS be consistent with the original source documentation at the project.**

a. Accessing TRACS Queries

HUD staff can access the TRACS queries by logging into the Secure System on the HUD web site using their H-ID and password and then selecting "Tenant Rental Assistance Certification System (TRACS)":

http://hudapps.hud.gov/ssmaster/index.cfm

Other contract administrators, if they have the authority, can access the TRACS queries at the TRACS Home Page by selecting "Secure Sign-in", signing in using their M-ID and password, and then selecting "Tenant Rental Assistance Certification System (TRACS)":

http://www.hud.gov/offices/hsg/mfh/trx/trxsum.cfm

b. TRACS Queries

There are two categories of TRACS queries—voucher queries and tenant queries. Each is discussed below.

(1) Voucher queries

The *Voucher Query* will provide the reviewer with a listing of the vouchers submitted during the past 24 months for a particular contract or project. The reviewer should use this query to determine whether or not the owner is transmitting vouchers on a monthly basis and whether or not voucher discrepancies were noted during the electronic review. Reviewers should use this query to determine if tenant 59 data is being submitted to TRACS. This query also contains information regarding payment of the voucher.

By selecting the hot link "Voucher ID" field for a particular voucher, the reviewer can access other options relating to the voucher submission. The selection of "Voucher Summary Detail" allows the reviewer to see the number of units being utilized under the contract and determine whether or not the project is experiencing vacancy problems. This screen may also be used to determine the amount(s) requested for special claims, miscellaneous adjustments, and regular adjustment requests.

(2) Tenant Queries

The *Certification Query* will provide the reviewer with a listing of tenant certifications submitted by the owner. The list will include for each household all certifications that have been submitted with an effective date in the future plus the most current certification with an effective date within the last 15 months. The reviewer will use this query to determine if the owner is transmitting tenant certifications, if the certifications are current, if there were any certification discrepancies, and the citizenship status of the household.

By selecting the hot linked name within the Tenant Name field for a particular household, the reviewer can access other options. By selecting the Certification History List option, the certification history for a unit can be accessed. By selecting the Certification Discrepancies option, the certification discrepancies for a unit can be accessed. The reviewer should review the types of discrepancies to determine whether or not the owner is required to transmit corrections to TRACS.

The *Move-In/Move-Out Query* should be used to view the move-in and move-out activity reported by the owner for a specified period of time. From this query, the reviewer will be able to determine if the move-out action was initiated by the owner or by the tenant. Excessive move-in and move-out activity can indicate that there are problems at the project.

The *Multiple Occupancy Query* should be used to determine if any units are occupied by multiple households. The reviewer will also be able to determine whether residents of the household are occupying units in other assisted projects.

The *Project Evaluation Query* should be used to assist with evaluating potential concerns at the project. This report may also provide insight for pre-selecting tenant files for review. This query provides the reviewer with information relating to changes in assets, households with no income, households paying the minimum rent, and elderly/disabled households without medical expenses.

The *Verification Query* should be used to determine if the owner is using the correct income limits and approved unit rents. The reviewer can also use this report to determine if units are being over or under utilized based on generally accepted occupancy standards.

Attachment 3 provides examples of TRACS Query Reports.

3. Reference Materials

Table 2 provides on-line reference materials that should be used in preparation for the on-site review. These materials include current income limit schedules and relevant HUD regulations, notices, handbooks, and guidebooks. The reviewer will find it helpful to have these materials available during the on-site portion of the review.

TABLE 2 – ON-LINE REFERENCE MATERIALS	
REFERENCE MATERIALS	**URL**
Current Income Limits for the jurisdiction where the project is located are available on the HUD USER site:	http://www.huduser.org/datasets/il.html
The latest edition of HUD Regulations at Title 24 of the Code of Federal Regulations (CFR) is available on the Government Printing Office (GPO) Access page of the National Archives and Records Administration (NARA) site:	http://www.access.gpo.gov
Federal Register occupancy regulations published subsequent to the latest edition of CFR Title 24 are available on the GPO Access page of NARA:	http://www.access.gpo.gov
Current handbooks and notices related to occupancy are available at HUDCLIPS:	http://www.hudclips.org/cgi/index.cgi
Information about TRACS Internet applications:	http://www.hud.gov/offices/hsg/mfh/trx/trxngde.html

E. Conducting the On-Site Review

1. Tenant File Sample Selection

Tenant file records are the critical source documentation for income and rent determinations. While the tenant file sample review is the principal on-site information gathering activity, the file sample only offers a snapshot of owner actions relative to a small number of tenants. The reviewer must examine the owner's operations, policies, and procedures in order to analyze and determine the complete picture of the income and rent determination process.

EXHIBIT 1 – MINIMUM FILE SAMPLE

If the Number of Units is:	Minimum File Sample:
100 or fewer	5 files, plus 1 for each 10 units over 50
101 – 600	10 files, plus 1 for each 50 units or part of 50 over 100
601 – 2,000	20 files, plus 1 for each 100 units or part of 100 units over 700
Over 2,000	34 files, plus 1 for each 200 units or part of 200 units over 2,200

Please note: There is no maximum number of files to be sampled

Selection of specific tenant families to include in the file sample can be completed prior to the on-site review by using the information contained in the TRACS reports. If the reviewer prefers, the tenant families may be selected on site, or a combination of both TRACS and on-site information may be used to select the file sample. During the review, the reviewer may find that certain specific issues or concerns arise (e.g., eligibility determinations, specific categories of income determinations, or specific types of deductions) where a focused review of targeted families would be useful. The reviewer should adjust the tenant file sample, or add additional files, to meet the needs of the review. Once the file sample has been completed, the tenant files to be reviewed may be recorded on the Tenant File Sample, ***Attachment 2***. The reviewer should use Exhibit 1 to determine the number of tenant files to be reviewed.

The file sample should include a broad representation of the resident profile at the property and include as many varied occupancy related issues and situations as possible. See ***Exhibit 2*** for a list of the types of files the reviewer may consider when selecting the files to be included in the sample.

EXHIBIT 2 – FILE SAMPLE COMPOSITION

RESIDENT PROFILE COMPOSITION
New admissions: Families that have been admitted within the past 12 months
Re-examinations: Families that have been participants for at least one year and have undergone at least one re-examination of income and family composition
Families where the head of household or spouse is elderly
Families where the head of household or spouse is disabled
Families with dependents
Families with live-in aides
Families with large amounts of assets
Families with deductions for child care
Families with deductions for medical expenses
Families with zero income
Families paying minimum rent
Families for each bedroom size contained in the project
Families receiving utility reimbursements
Families for each type of subsidy available at the project
Current applicant files: A sample of applicants currently on the waiting list to assess the owner's process for handling applications
Rejected applicant files: A sample of applicants rejected on the basis of income ineligibility to review owner determinations of annual income and the use of appropriate income limits
Terminated/move-out tenant files: A sample of former tenants where the owner has terminated the tenancy or formally evicted the family, or where the family had given notice and moved out

2. Key Topics for Quality Control Monitoring of Rent and Income Determinations

A review must be completed using the Leasing and Occupancy portion of Form HUD-9834, Management Review Questionnaire. Emphasis will be placed on the owner's responsibilities for income and rent determinations relating to:

- Applicant intake procedures
- Waiting list management
- Tenant selection
- Verification and calculation of income and rent
- Certification and recertification activities
- Tenant file review

Reviewers must be knowledgeable of all aspects of Multifamily occupancy, particularly the information found in Handbook 4350.3, REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs,* which provides detailed guidance for all of the topics listed above.

a. Applicant Intake Procedures

The owner must establish a process for accepting applications from interested families and for gathering all information necessary to provide assistance to the family. Necessary information includes establishing family eligibility, family composition and characteristics, family income, and other relevant information. The owner must process applications to determine:

- Eligibility for the project, based on income, family composition, and other criteria
- Suitability for the housing program the project serves, based on age, disability, or other factors
- Availability of an appropriately sized unit that matches a family's requirements, based on unit size needed, priority status, and other criteria

The owner should establish procedures for conducting applicant interviews to ensure that the right questions are asked of the applicant. A thorough interview will identify all sources of income and deductions, and result in accurate income and rent determinations. During the interview, the owner should stress to the applicant the importance of obtaining correct information for determining eligibility and the correct rent.

Two tools designed to assist the owner with the application intake procedure are included in the Attachments to this *Guide*. ***Attachment 1***, the Fact Sheet for Rent Determination for Combined Assisted Programs, provides the applicant with information on how rent is determined and outlines what the responsibilities of the owner and the applicant are in the rent determination process. This attachment should be provided to applicants prior to the application interview.

Attachment 4, the Eligibility, Income, and Deductions Checklist, is a sample checklist of the information needed to determine eligibility, income, and deductions that owners may use to ensure that all necessary information is provided by the applicant. The owner may want to have the applicant complete the checklist prior to the application interview and then review the checklist for completeness during the interview. The checklist should be signed by the applicant and retained with the application.

TABLE 3 – APPLICANT INTAKE PROCEDURES	
Reviewer Responsibilities	▪ Confirm that the owner is requesting and receives sufficient information to determine the applicant's eligibility and that the information being requested is not in conflict with HUD requirements and regulations. ▪ Review the application, application materials, rent and income checklists, and other relevant documentation to determine the owner's effectiveness in soliciting and identifying all relevant aspects of the family's eligibility, income, and rent situation. ▪ Determine if there is an established protocol for applicant interviews.
Questions to be Considered	▪ Are the owner's application materials clear and easy to understand for all applicants? ▪ Does it appear that the owner devotes sufficient time and resources overall to the application process to ensure that accurate information is being obtained for determining eligibility? ▪ Is there adequate staff to perform the applicant intake procedures?

b. Waiting List Management

Upon receipt of an application, the owner must process the applicant for admission and then either place the applicant on the waiting list or reject the applicant.

The policies and procedures for managing the waiting list must be outlined in the owner's Tenant Selection Plan. The waiting list should be organized and maintained in a manner that enables the owner to quickly and efficiently identify available applicants and minimize vacancy loss and unit turnaround time. The owner should periodically review and update the waiting list to ensure that the list includes only those families that are eligible, suitable, interested, and available for housing.

TABLE 4 – WAITING LIST MANAGEMENT	
Reviewer Responsibilities	▪ Interview staff responsible for the waiting list. ▪ Review the owner's waiting list policy. ▪ Review the current waiting list for consistency.
Questions to be Considered	▪ Are the policies and procedures reasonable and consistent with HUD policies and regulations? ▪ Does it appear that the owner understands, is familiar with, and is following the established written policies and procedures?

c. Tenant Selection Plan

The owner must establish written policies and procedures for describing how tenants will be selected. These policies and procedures must ensure non-discrimination in the selection of tenants. Although HUD does not approve the owner's Tenant Selection Plan, the reviewer should review the owner's plan to ensure that waiting lists are properly maintained and that tenants are selected in a fair and nondiscriminatory manner. If the reviewer determines that a plan fails to comply with applicable civil rights requirements and other regulatory requirements, the owner must modify the plan accordingly.

TABLE 5 – TENANT SELECTION PLAN	
Reviewer Responsibilities	▪ Obtain a copy of the current Tenant Selection Plan. ▪ Confirm that the plan's policies and procedures do not conflict with HUD requirements.
Questions to be Considered	▪ Are the policies and procedures reasonable and consistent with HUD policies? ▪ Are the policies used consistent with the policies identified in the Tenant Selection Plan?

d. Verification and Calculation of Income and Rent

Owners must verify and document in the family's file all income, assets, expenses, deductions, family characteristics, and any other factors that affect family eligibility or level of assistance. They should develop verification and documentation procedures for the properties they manage and ensure that on-site property staff responsible for these functions are trained to understand and properly implement these procedures. Effective and efficient owner, agent, and property staff performance in this area is fundamental to obtaining the correct information needed for accurate rent determinations and assistance payments.

Information received via third-party verification should be reviewed and interpreted and allowable deductions applied to determine the income used to calculate rent and subsidy. This is a detailed process and not simply a series of mathematical calculations.

There are three acceptable methods of verification. They are, in order of acceptability:

1. Third-party verification—only when third-party verification is not available can alternative forms of verification be used. The file must contain documentation stating why the third-party verification was not available.

2. Review of documents—acceptable when third-party verification is not possible or is delayed.

3. Family certification—notarized statement from family acceptable only when information cannot be verified by another acceptable verification method.

Owners must determine a family's annual income before the family is allowed to move in and at least annually thereafter. The owner determines a family's adjusted income used for rent and assistance calculation purposes by using the family's annual income less any allowable deductions.

- *Annual income* is made up of all monetary and non-monetary amounts that go to or are received for the benefit of the family and are not expressly excluded by regulation. The amounts that are included or excluded are specifically defined by HUD regulations.
- *Adjusted Income* is the basis upon which the owner calculates the family's rent or total tenant payment (TTP). Adjusted income is the annual income amount as determined by the owner, less allowable deductions that are defined by HUD regulations.

TABLE 6 – VERIFICATION AND CALCULATION OF INCOME AND RENT	
Reviewer Responsibilities	▪ Interview the owner's staff responsible for verification of income and required deductions and calculation of adjusted income and TTP. Determine if the staff is knowledgeable of and following the requirements and regulations covering the verification and rent determination processes. ▪ Discuss the strengths and weaknesses of the owner's policies with staff, focusing on the provisions related to income, rent calculation, verification, documentation, and other related topics. ▪ Confirm that the staff receives regular training on HUD policies, including rent determination policies and procedures. ▪ Obtain copies of materials used by the owner during the process of verification and calculation of annual and adjusted income. Review the materials for accuracy and compliance with HUD requirements. Materials may include: • Standard verification letters and formats used for all income sources and deductions • Standard release and authorization statements used for all income and deduction sources • Worksheets, tables, guides, or other aids used by the owner in income and rent calculations
Questions to be Considered	▪ Is the owner's staff knowledgeable of all aspects of the rent determination process (i.e., calculations of deductions, income inclusions and exclusions, etc.)? ▪ If the owner uses form letters or other standard procedures to contact income verification sources, are they adequate and do they meet HUD requirements? ▪ Are there fundamental flaws in the verification and calculation of rent processes that might lead to errors or inaccurate calculations?

e. Certification and Recertification Activities

Owners/agents must examine and verify income, family composition, and other factors affecting continued occupancy at move-in and at least annually for every resident family. The annual recertification, which usually coincides with the anniversary of the date on which the resident first received assistance, requires the owner to gather and verify information in accordance with the timeframes established by HUD. In addition to the annual recertifications, the owner must also complete interim recertifications when the family reports a change in income or family composition. The owner must develop tracking and monitoring procedures to ensure that the required recertifications are initiated and completed on time.

The owner should also establish procedures for conducting recertification interviews to ensure that the right questions are asked of the tenant family. These procedures may be the same as those used at the time of application processing. See Part II, E.2.a.

TABLE 7 – CERTIFICATION AND RECERTIFICATION ACTIVITIES	
Reviewer Responsibilities	▪ Review TRACS certification reports to ensure that the owner is transmitting the tenant data and that the information is current for all residents. ▪ Interview the owner's staff responsible for processing recertifications to determine if the staff is knowledgeable of, and following the requirements and regulations covering, the recertification process. ▪ Review notification letters and other correspondence relating to the certification process for accuracy and compliance with HUD requirements.
Questions to be Considered	▪ Is the staff familiar with the owner's established policies and procedures developed for the certification and recertification processes? ▪ Does the owner's staff clearly understand the certification and recertification processes? Are all staff members using a consistent approach to conducting certifications and recertifications? ▪ Are the certification and recertification materials clear and easy to understand for tenants? ▪ Does the owner devote sufficient time to the certification and recertification interview processes? ▪ Does the owner consider the interview as an effective information-gathering process (or merely a formality)?

f. Tenant File Review

The reviewer will examine the files selected for review (see Section II, E.1, Tenant File Sample Selection), following the instructions (***Attachment 6***) for the Tenant File Review Worksheet (***Attachment 7***). The Tenant File Review Worksheet will assist the reviewer in answering the questions in the Leasing and Occupancy section of the Management Review Questionnaire, Form HUD-9834.

Rent calculation errors will be recorded on the Tenant File Error Summary (***Attachment 8***) and transferred to the Quality Control Tracking Log (***Attachment 10***). See Part III for information on tracking.

TABLE 8 – TENANT FILE REVIEW	
Reviewer Responsibilities	▪ Be knowledgeable of all aspects of the occupancy functions outlined in HUD Handbook 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs.
Questions to be Considered	▪ Do the files include all of the required documentation for determining eligibility, income, and rent (see ***Attachment 5***, Required Tenant File Documentation)? ▪ Is there a pattern of errors in the eligibility, rent, or income determinations? ▪ Do the files show that the owner consistently uses some lesser form of documentation (oral verification or signed declarations by the family) that may reflect a systemic weakness in the owner's verification process? ▪ Do the files show evidence that the owner uses a consistent policy for addressing falsified documentation or documentation that has been withheld by the family? ▪ Is the documentation for similar information consistent from one tenant file to another? ▪ Are recertification materials organized to provide an accurate and chronological history of events?

F. Post-Review Activities and Follow-up

1. Introduction to Preparing and Issuing a Report

The purpose of the Management and Occupancy Review Report is to provide the owner with written notification of the reviewer's conclusions. These conclusions regarding the quality of the owner's calculations and determinations of annual income and rent, performance problems or issues related to income and rent determinations, and corrective actions necessary to resolve income and rent problems are an important part of the review report. Therefore, it is imperative that the findings, causes, corrective actions, errors, and other conclusions are clear, persuasive, and well documented. This final report is HUD's mechanism for ensuring that all deficiencies are corrected and errors are reduced.

2. Recording and Documenting Income and Rent Determination Errors and Findings

The reviewer should use some of the attachments included with this *Guide* to record the results of the rent and income determination review. The Tenant File Review Worksheet (***Attachment 7***) is used to document the results of the review for each tenant file included in the review sample. The Tenant File Error Summary form (***Attachment 8***) is used to record differences between the owner's income and rent determinations and the reviewer's income and rent determinations for each tenant file reviewed. It is important to document all errors, discrepancies, and findings during the review to provide support for the conclusions reported to the owner and to assist the reviewer in developing trends that indicate a more serious issue or finding. Documentation of errors by dollar amounts, either underpayments or overpayments, is also important because the dollar amounts of errors must be tracked on the Quality Control Tracking Log (***Attachment 10***) and forwarded to HUD Headquarters. See Part III for more information on tracking errors.

The review report should include a detailed list of errors and findings, as well as information needed to enable the owner to identify the error or finding, understand the required corrective action, and know what documentation or completed corrective actions must be provided to the reviewer. Documentation may include copies of signed, recalculated tenant certifications (facsimile 59 data requirements), copies of vouchers where corrective adjustments were submitted to HUD, or evidence that a tenant was repaid for overpayment of rent. The report will provide the owner with a timeframe for completing corrective action and responding to the report.

Findings are distinguished from the specific errors noted in the tenant file sample review. Tenant file errors may apply only to specific files. However, tenant file errors may also indicate a pattern of deficient owner performance in one or more areas of income and rent determination or process. This pattern of errors may become a finding if the pattern indicates a systemic problem.

The reviewer will determine whether an error is an isolated occurrence or is a systemic error in the areas of data collection, data verification, data recording, or rent calculation. A pattern of similar errors indicates that action other than simply correcting the error is needed. The reviewer will require that the owner examine every tenant file, implement a required change in procedure, and provide the reviewer documentation of the corrective actions taken.

If systemic errors or findings are discovered during the review, the review report must include a detailed list of errors and findings. All findings must be well supported. The report should identify the condition, error in procedure, or program violation; the criteria, HUD policy, or regulation breached; and the specific corrective action.

a. Identifying the Condition

The reviewer will describe what the owner is doing incorrectly. Some examples of this are:

- The owner does not require all adult members of a household to sign the Notice and Consent for the Release of Information (Form HUD-9887).
- The owner does not attempt to verify tenant information with third party sources.
- The owner does not use the information received from verification sources when completing certifications.

If clarification is needed, explain the cause—why the condition occurred—and the effect—what happens because of the condition—when describing the condition. For example, the reviewer may note that the owner does not recertify tenants in a timely manner, resulting in incorrect rents being paid by tenants and incorrect subsidies being paid by HUD.

b. Identifying the Criteria

The reviewer will cite the regulatory or statutory requirement that was not followed or the exact wording of any HUD regulatory agreement, assistance contract, handbook, memorandum, or notice that was breached. Examples of wording to use when HUD's laws, regulations, legal documents, or guidance are not followed are shown below:

- HUD Handbook 4350.3, Chapter 3, Paragraph 3.11, states: "All members of an applicant or tenant family who are at least 18 years of age and each family head and spouse regardless of age must sign the HUD-required consent forms (Form HUD-9887, Notice and Consent for the Release of Information to HUD and to a PHA, and Form HUD-9887-A, Applicant's/Tenant's Consent to the Release of Information Verification by Owners of Information Supplied by Individuals Who Apply for Housing Assistance)."
- The Housing Assistance Payments (HAP) contract at Section 1.3(b) states: "Government Assistance (1) The Government hereby agrees to make housing assistance payments on behalf of Families for the Contract Units, to enable such Families to lease Decent, Safe, and Sanitary housing pursuant to Section 8 of the Act. Such housing assistance payments shall equal the difference between the Contract Rent for units leased by Families and the portion of such rents payable by Families determined by the owner in accordance with schedules and criteria established by the Government."
- The Code of Federal Regulations, at 24 CFR Part 5.655, states: "Tenant Selection Plan. The owner must adopt a written tenant selection plan in accordance with HUD requirements."

c. Specifying the Corrective Action Required

The reviewer will detail corrective actions for all errors and findings. Be specific when reporting what the owner must do to be in compliance with established HUD criteria. Also, identify a timeframe for addressing each error/finding. Some examples of required corrective actions are:

- Within 30 days of the date of the issuance of this report, the agent must utilize the required consent and release forms for all tenants, verify information with third party sources, and recalculate the rent paid by the tenant and the subsidy paid by the Department. Any overpayments of subsidy due to improper agent practices will be repaid to the Department on the next voucher.
- Within 30 days of the date of the issuance of this report, the agent will provide tenants with a copy of the *HUD Fact Sheet for Determining Rent* and the *Resident Rights and Responsibilities* brochure.

The final report will be completed and transmitted by the reviewer to the owner as quickly as possible after the on-site review. As a rule, reports should be transmitted to the owner no later than 30 calendar days after the conclusion of the review. The report will be sent to the owner with a cover letter that provides a context of the report, HUD's expectations for resolution of the issues contained in the report, and the timeframe for responding to the report.

3. Follow-ups and Resolutions of Income and Rent Errors and Findings

Preparation for follow-up activities begins at the introductory meeting with the owner. At this meeting, the reviewer will explain the methods to be used when conducting the review and the requirement to respond to concerns expressed in the review report. The reviewer will explain that the owner will receive a written report that provides details of the concerns, errors, and findings revealed during the review. The reviewer will also explain that the owner will have 30 days to respond to the report with a written corrective action plan or with documentation that the conclusions presented in the report are in error.

The final report will outline corrective actions for the owner to complete and specific deadlines to meet in order to address the income and rent discrepancies. The owner will address these identified corrective actions in the correction action plan submitted to the contract administrator for the property. The response to the review from the owner must be in writing. The owner may respond to the findings and conclusions in one of the following ways:

- Agreeing with the errors identified and submitting a written corrective action plan
- Agreeing with some of the errors identified, submitting a written plan of correction for these errors, and appealing the remaining errors in writing with supporting documentation
- Appealing the entire error write-up with a written appeal supported by documentation

The reviewer will monitor the owner's progress in resolving the income and rent findings and correcting specific income and rent tenant file errors identified in the report. If necessary, the correction of errors and findings will be confirmed through a follow-up review of a different sample of tenant files.

Follow-up by the reviewer and resolution of the findings and errors includes:

- Tracking owner responses to the report issues
- Tracking owner progress in resolving the discrepancies
- Analyzing any owner difficulties in addressing the issues
- Taking appropriate actions—providing technical assistance and/or imposing sanctions—to ensure that all corrective actions are completed

Where possible, the reviewer and the owner should attempt to quantify the dollar amount of the owner's corrective actions and efforts, whether it is an underpayment or overpayment of rent or subsidy. In the final report, the Tenant File Error Summary should identify the dollar amount of each discrepancy for every tenant family in the tenant file sample. Owner responses to these errors should indicate the specific dollar amount adjusted for each family. Amounts owed to the Department must be repaid within 60 days unless all parties have agreed to a repayment plan. Amounts owed to a tenant family must be paid to the family within 60 days. The owner, not the tenant, will repay the Department any overpayment of subsidy caused by errors in calculation by the owner or failure of the owner to use information and documentation provided by the tenant.

In cases where the owner does not resolve the income and rent issues identified in the report or does not take the necessary corrective actions, the reviewer should examine the reasons for failing to do so and take appropriate actions. PBCAs and non-PBCAs will refer the owner to HUD staff for action. HUD staff will take action where HUD is the contract administrator.

Errors that are not addressed within 30 days of the issuance of the report, either through corrective action or an acceptable corrective action plan, become *findings*. HUD staff will take appropriate actions to address unresolved findings, including, but not limited to:

- Flagging all principles in the Active Partners Performance System (APPS)
- Removal of the management agent
- Adjustment of the assistance payment to supported levels
- Abatement or termination of the assistance contract
- Elective referral to the Enforcement Center's Legal Services Division for sanctions
- Limited denial of participation (LDP)
- Suspension
- Debarment
- Transfer of physical assets
- Referral to the HUD Office of Inspector General (OIG)

The reviewer will develop a tracking system in Lotus Notes or other method to remind them when the 30 days has elapsed. If no response is received or an unacceptable response is received within the 30 day time period, a phone call to the owner is optional. However, sanctions should be imposed on day 31 if an acceptable response to the errors/findings explained in the review report has not been received.

PART III. TRACKING

A. General Tracking Information

Tracking is required of all contract administrators—PBCAs, non-PBCAs, and HUD field office staff. While conducting a review, contract administrators (CAs) may detect errors resulting in overpayments or underpayments of rent or subsidy. Tracking the correction of these errors is essential to HUD's efforts to reduce errors in rent and subsidy payments. Therefore, HUD will provide the Quality Control Tracking Log (see ***Attachment 10***) in an electronic Excel spreadsheet format to contract administrators to facilitate reporting error corrections and to enable the Department to collect data on the dollar amounts of corrected errors. The responsible individual in the HUD Hub will submit the Excel tracking log to a mailbox established in Headquarters. ***Attachment 9*** contains instructions for completing the tracking log.

When subsidy overpayments or underpayments are detected during a review, the contract administrator must confirm the owner has corrected the error before completing the tracking log. Generally, error correction is documented on the voucher and may be verified by reviewing the voucher. If an error has not been corrected on the voucher, the contract administrator must obtain documentation from the owner that the error has been corrected. Once confirmation of an error correction is received, the dollar amount of both the error and the correction should be entered on the tracking log. If a repayment plan is required, the contract administrator must have access to that plan to ensure repayment is made as set forth in the plan. For repayments that will be made over a period of more than one month, only the amounts received during a given month should be recorded on the tracking log, not the total amount that is being repaid. Any documents that support the error and the corrective action should be maintained in the contract administrator's office for audits.

The correction of errors detected during reviews, as described above, should not be confused with voucher adjustments. Voucher adjustments are generally corrections that need to be made because owners are required to submit a voucher for payment in advance of the period covered by the voucher. Common reasons for voucher adjustments include move-ins, move-outs, initial certifications, gross rent changes, unit transfers, and terminations of assistance.

B. Types of Reviews Reported on the Tracking Log

The purpose of the tracking log is to collect data on subsidy underpayments and overpayments found during various types of reviews, including management and occupancy, voucher, compliance, performance, and other reviews. ***Table 9*** shows who is responsible for reporting errors and corrective actions found during each type of review.

TABLE 9 – ENTITY RESPONSIBLE FOR REVIEWS REPORTED ON THE TRACKING LOG	
REVIEW	**ENTITY CONDUCTING REVIEW**
Management and occupancy	All contract administrators (PBCAs, non-PBCAs, and HUD field offices)
Monthly housing assistance payment (HAP) voucher	All contract administrators
Annual compliance review of PBCAs	HUD field offices
On-site review of non-PBCAs	HUD field offices
Other (for example, an IG audit, call from TRACS service provider, etc.)	All contract administrators

C. Roles and Responsibilities of Contract Administrators

Each type of contract administrator has slightly different roles and responsibilities in the tracking process, which are explained in this section. Contract administrators that are both a PBCA and a non-PBCA must submit separate tracking logs, one for the contracts assigned to the contract administrator as a PBCA and another for non-PBCA contracts.

1. Performance Based Contract Administrators (PBCAs)

PBCAs are required to verify and certify housing assistance payments (HAPs). Corrections of errors found during any type of review should be verified during the required voucher review. PBCAs must ensure that the owner or the PBCA has corrected the voucher, recorded corrective actions taken as a result of voucher reviews, and submitted this information to the HUD contract administrator oversight monitor (CAOM) each month as supporting documentation for the monthly administrative fee payment.

This supporting documentation varies in content and format among PBCAs. For consistency, PBCAs will be required to submit errors and corrective actions to the CAOM on the Quality Control Tracking Log (see ***Attachment 10***). The log, along with any other supporting documentation and the monthly administrative fee payment invoice, should be sent to the CAOM by the tenth (10th) business day after the month of reportable activity. The CAOM will forward a copy of the tracking log to the Hub by the fifteenth (15th) business day after the month in which the activity was reported. The Hub is required to submit the log to Headquarters by the end of the month. (See ***Exhibit 3*** for submission deadlines for tracking logs.)

2. Traditional, Non-Performance Based Contract Administrators (Non-PBCAs)

Non-PBCAs conduct management and occupancy reviews as required by the annual contributions contract (ACC) for each assigned contract. A copy of the management review report detailing all errors and findings is sent to the HUD field office for review within 30 days after completing the review.

Non-PBCAs are required to verify that any rent and income determination errors have been corrected using documentation submitted by the owner. Non-PBCAs must document all owner-corrected underpayment and overpayment errors on the tracking log, which must be submitted to the appropriate HUD field office by the tenth business day after the end of the month containing reportable activity. A copy of the tracking log must also be sent to their HUD field office for their files within that same ten (10) business day period. The field office must send a copy of the log to the Hub. The Hub is required to submit a consolidated log to Headquarters by the end of the month. (See ***Exhibit 3*** for submission deadlines for tracking logs.)

3. HUD Field Offices

HUD field office staff will perform management and occupancy reviews for all properties for which HUD serves as the contract administrator. HUD staff will review TRACS reports or documentation submitted by the owner to ensure that errors are corrected. Once an error is corrected, both the error and correction will be recorded on the tracking log.

In addition, HUD staff will conduct reviews of non-PBCAs as well as PBCAs. HUD staff should conduct on-site monitoring reviews of all non-PBCAs. However, HUD staff must conduct on-site monitoring reviews of a non-PBCA that serves as administrator of fifty (50) or more HUD contracts. The purpose of these reviews is to ensure that non-PBCAs are fulfilling the requirements of the ACC, are performing management and occupancy reviews at specific intervals, and are structuring their reviews to detect errors in rent and income determination. Any errors found during the performance reviews must be recorded on the tracking log when the errors are corrected.

Rent and income determination errors found by staff from the HUD Hub and/or field offices will be documented on the tracking log once the errors have been corrected. The field office must submit the log to the Hub for consolidation. The Hub is required to send the consolidated log to Headquarters by the end of the month (see ***Exhibit 3***).

EXHIBIT 3 – TIMEFRAMES FOR CONTRACT ADMINISTRATORS TO SUBMIT TRACKING LOGS

	CONTRACT ADMINISTRATORS		
DUE DATE	**PBCA**	**NON-PBCA**	**HUD FIELD OFFICE**
Within 10 business days after end of month of reportable activity	Submits tracking log to CAOM	Submits log to appropriate HUD field office	Submits log to HUD Hub Office.
Within 15 business days after end of month of reportable activity	CAOM sends log to their Hub.	Field office sends log to Hub.	
End of Month		Hub sends consolidated log to Headquarters.	

EXAMPLE	**PBCA**	**NON-PBCA**	**HUD FIELD OFFICE**
For the report containing July 2003 data, the actual due dates are:			
August 14, 2003	Submits tracking log to CAOM	Submits log to appropriate HUD field office	Submits log to HUD Hub Office.
August 21, 2003	CAOM sends log to their Hub.	Field office sends log to Hub.	
August 31, 2003		Hub sends consolidated log to Headquarters.	

ATTACHMENTS

FACT SHEET

For HUD ASSISTED RESIDENTS

"HOW YOUR RENT IS DETERMINED"

Office of Housing

January 2002

This Fact Sheet is a general guide to inform the Owner/Management Agents (OA) and HUD-assisted residents of the responsibilities and rights regarding income disclosure and verification. Since some of the requirements vary by program, residents should consult their lease agreement or OA to determine the specific policies that apply.

Why Determining Income and Rent Correctly is Important

Department of Housing and Urban Development studies show that many resident families pay incorrect rent. The main causes of this problem are:

- Under-reporting of income by resident families, and
- OAs not granting exclusions and deductions to which resident families are entitled.

OAs and residents all have a responsibility in ensuring that the correct rent is paid.

OAs' Responsibilities:

- Obtain accurate income information
- Verify resident income
- Ensure residents receive the exclusions and deductions to which they are entitled
- Provide tenants a copy of lease agreement and income and rent determinations
- Accurately calculate Tenant Rent
- Recalculate rent when changes in family composition are reported
- Recalculate rent when resident income decreases
- Recalculate rent when resident income increases by $200 or more per month
- Recalculate rent every 90 days when resident claims minimum rent hardship exemption
- Provide information on OA policies upon request
- Notify residents of any changes in requirements or practices for reporting income or determining rent

Residents' Responsibilities:

- Provide accurate family composition information
- Report all income
- Keep copies of papers, forms, and receipts which document income and expenses
- Report changes in family composition and income occurring between annual recertifications
- Sign consent forms for income verification
- Follow lease requirements and house rules

Income Determinations

A family's anticipated gross income determines not only eligibility for assistance, but also determines the rent a family will pay and the subsidy required. The anticipated income, subject to exclusions and deductions the family will receive during the next twelve (12) months, is used to determine the family's rent.

What is Annual Income?

Gross Income – Income Exclusions = Annual Income

What is Adjusted Income?

Annual Income – Deductions = Adjusted Income

Determining Tenant Rent

The formula used for determining the rent a family will pay depends on the type of assistance offered at the property where they are applying or are living. The rent formulas for the various programs are listed below.

1. Project-Based Section 8 Rent Formula:

The rent a family will pay is the **highest** of the following amounts:

- 30% of the family's monthly *adjusted* income
- 10% of the family's monthly income
- Welfare rent or welfare payment from agency to assist family in paying housing costs
- $25.00 Minimum Rent

Note: An owner may admit an applicant to the Section 8, Rental Assistance Program (RAP) and Project Assistance Contract (PAC) programs only if the Total Tenant Payment is less than the gross rent. This note does not apply to the Project Rental Assistance Contract (PRAC) program. In some instances under the PRAC program a tenant's Total Tenant Payment will exceed the PRAC operating rent for the unit.

2. PAC, PRAC, and RAP Rent Formulas:

Same as project-based Section 8 **EXCEPT** Minimum Rent of $25 does **not** apply.

3. Rent Supplement Rent Formula:

The rent a family will pay is the **higher** of the following amounts:

- 30% of the family's monthly adjusted income
- 30% of Gross Rent

If this is a move-in or initial certification, the family is only eligible if their total tenant payment is less than 90% of Gross Rent.

4. Section 236 Rent Formulas:

All Section 236 Projects have a minimum rent (Basic Rent) and a maximum rent (Market Rent).

Section 236 with NO Utility Allowance; the **higher** of:

- 30% of the family's monthly adjusted income
- Basic Rent
- But not more than Market Rent

Section 236 WITH Utility Allowance; the **highest** of:

- 30% of the family's monthly adjusted income, less the Utility Allowance
- 25% of the family's monthly adjusted income
- Basic Rent
- But not more than Market Rent

5. Below Market Interest Rate (BMIR) Rent Formula:

Allowances and adjusted income do not count in this program.

- At move-in or initial occupancy, the family pays the contract rent
- At recertification, they continue to pay the same rent unless their **income is equal to or higher than 110% of the BMIR income limit.** If the income has risen to 110% of the BMIR income limit, they pay the **higher** of the BMIR Market Rent or the amount they now pay.

Income and Assets

HUD assisted residents are required to report **all** income from all sources to the Owner or Agent (OA). Exclusions to income and deductions are part of the tenant rent process.

When determining the amount of income from assets to be included in annual income, the actual income derived from the assets is included except when the cash value of all of the assets is in excess of $5,000, then the amount included in annual income is the higher of 2% of the total assets or the actual income derived from the assets.

Annual Income Includes:

- Full amount (before payroll deductions) of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services
- Net income from the operation of a business or profession
- Interest, dividends and other net income of any kind from real or personal property (See Assets Include/Assets Do Not Include, below)
- Full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay
- Welfare assistance
- Periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from organizations or from persons not residing in the dwelling
- All regular pay, special pay and allowances of a member of the Armed Forces (except for special pay for exposure to hostile fire)

Assets Include:

- Stocks, bonds, Treasury bills, certificates of deposit, money market accounts
- Individual retirement and Keogh accounts
- Retirement and pension funds
- Cash held in savings and checking accounts, safe deposit boxes, homes, etc.
- Cash value of whole life insurance policies available to the individual before death
- Equity in rental property and other capital investments
- Personal property held as an investment
- Lump sum receipts or one-time receipts
- Mortgage or deed of trust held by an applicant
- Assets disposed of for less than fair market value

Assets Do Not Include:

- Necessary personal property (clothing, furniture, cars, wedding ring, vehicles specially equipped for persons with disabilities)
- Interests in Indian trust land
- Term life insurance policies
- Equity in the cooperative unit in which the family lives
- Assets that are part of an active business

- Assets that are not effectively owned by the applicant or are held in an individual's name but:
  - The assets and any income they earn accrue to the

benefit of someone else who is not a member of the household, and
  - That other person is responsible for income taxes incurred on income generated by the assets.
- Assets that are not accessible to the applicant and provide no income to the applicant (Example: A battered spouse owns a house with her husband. Due to the domestic situation, she receives no income from the asset and cannot convert the asset to cash.)
- Assets disposed of for less than fair market value as a result of:
  - Foreclosure
  - Bankruptcy
  - Divorce or separation agreement if the applicant or resident receives important consideration not necessarily in dollars

Exclusions from Annual Income:

- Income from the employment of children (including foster children) under the age of 18
- Payment received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone
- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member
- Income of a live-in aide
- The full amount of student financial assistance either paid directly to the student or to the educational institution
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire
- Amounts received under training programs funded by HUD
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS)
- Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program
- Resident service stipend (not to exceed $200 per month)
- Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs and training of a family member as resident management staff
- Temporary, non-recurring or sporadic income (including gifts)
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era
- Earnings in excess of $480 for each full time student 18 years old or older (excluding head of household, co-head or spouse)
- Adoption assistance payments in excess of $480 per adopted child
- Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts
- Amounts received by the family in the form of refunds or rebates under State of local law for property taxes paid on the dwelling unit
- Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home

Federally Mandated Exclusions:

- Value of the allotment provided to an eligible household under the Food Stamp Act of 1977
- Payments to Volunteers under the Domestic Volunteer Services Act of 1973
- Payments received under the Alaska Native Claims Settlement Act
- Income derived from certain submarginal land of the U.S. that is held in trust for certain Indian Tribes
- Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program
- Payments received under programs funded in whole or in part under the Job Training Partnership Act
- Income derived from the disposition of funds to the Grand River Band of Ottawa Indians
- The first $2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the US. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands
- Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs

- Payments received from programs funded under Title V of the Older Americans Act of 1985
- Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent-*product liability litigation
- Payments received under the Maine Indian Claims Settlement Act of 1980
- The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990
- Earned income tax credit (EITC) refund payments on or after January 1, 1991
- Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation
- Allowance, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990
- Any allowance paid under the provisions of 38U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran
- Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act
- Allowances, earnings and payments to individuals participating under the Workforce Investment Act of 1998

Deductions:

- $480 for each dependent including full time students or persons with a disability
- $400 for any elderly family or disabled family
- Unreimbursed medical expenses of any elderly family or disabled family that total more than 3% of Annual Income
- Unreimbursed reasonable attendant care and auxiliary apparatus expenses for disabled family member(s) to allow family member(s) to work that total more than 3% of Annual Income
- If an elderly family has both unreimbursed medical expenses and disability assistance expenses, the family's 3% of income expenditure is applied only one time.
- Any reasonable child care expenses for children under age 13 necessary to enable a member of the family to be employed or to further his or her education

Reference Materials

Regulations:

- General HUD Program Requirements; 24 CFR Part 5
- Changes to Admission and Occupancy Requirements in the Public Housing and Section 8 Housing Assistance Programs; Final Rule, 65 FR 16692, March 29, 2000; 24 CFR 880 et al.
- Determining Adjusted Income in HUD Programs Serving Persons with Disabilities; Requiring Mandatory Deductions for Certain Expenses; and Disallowance for Earned Income, 65 FR 4608, August 21, 2000; 24 CFR Parts 5, 92, et al

Handbook:

- 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs

Notices:

- "Federally Mandated Exclusions" Notice 66 FR 4669, April 20, 2001
- Notice H 00-18, Admission and Occupancy of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) for Multifamily Housing Programs

For More Information:

Find out more about HUD's programs on HUD's Internet homepage at http://www.hud.gov

Tenant File Sample

Unit No.	Tenant Family	Head SSN	Unit Size	Initial or Re-exam	Comments

TRACS Query Reports

TRACS Query Reports and who has access to them:

Application /Report	TRACS User	O/A	HUD Staff	Non-PBCA	PBCA
Voucher					
Maximum Voucher Amount and Auto Review			X		
Over/Under Payment Resolution			X		X
Pre-Payment Resolution Decisions			X		
Special Claims Approval			X		
Voucher Detail/Summary Reports	X	X	X		
Voucher Query	X	X	X		X
Manual Voucher Submission and Review			X		
Tenant					
Certification Query	X	X	X		X
Move-In/Move-Out Query	X	X	X		X
Multiple Occupancy Query	X	X	X		X
Project Evaluation Query	X	X	X		
Tenant Unit Address Query	X	X	X		X
Verification Query	X	X	X		X
Funding/Contract					
ARAMS			X		

Reference materials for TRACS Query Reports found on the TRACS Web Sites:

- Industry User Guide for TRACS Internet Applications
  http://www.hud.gov/offices/hsg/mfh/trx/trxngde.cfm

- TRACS Internet Applications User Guide for HUD Staff
  http://hudweb.hud.gov/po/h/hm/tracs/trxintrausrgd.htm

TRACS HUDweb

Voucher

- Maximum Voucher Amount and Auto Review
- Over/Under Payment Resolution
- Pre-Payment Decisions
- Special Claims Approval
- Voucher Details/Summary Reports
- **Voucher Query - from this query you can go to**
    - **TRACS Voucher List**
    - **TRACS Voucher Detail**
    - **TRACS Voucher Discrepancies**
- Manual Voucher Submission and Review

Tenant

- **Certification Query – from this query you can go to**
    - **TRACS Certification List**
    - **TRACS Certification History List**
    - **TRACS Certification Discrepancies**
    - **TRACS Certification Member List**
- **Multiple Occupancy Query**
- **Move-In/Move-Out Query**
- **Project Evaluation Query**
- TRACS Project Re-baseline Request
- TRACS Tenant Unit Address Query
- **Verification Query**

Funding/Contract

- ARAMS

Documents/User Guides

- General Information

U.S. Department of Housing and Urban Development
TRACS Voucher List

Contract/Project Number: MA05S961003

Project Name: Sunny Acres

Subsidy Type: Section 202 PRAC

Select a Voucher ID to view additional voucher details

Voucher ID	Voucher Date	Correction Ind.	TRACS Processed Date	Status Code	Status Date	Discrepancy Ind.	Approved Voucher Amount	Offset Amount	Amount Paid	Est Pay Date	Payee TIN	LOCCS Payee Name	Action ID	Contract Administrator ID	Compliance Percent	Scheduled Pay Amount	LOCCS Voucher ID
111111111	01/01/2003	N	12/03/2002	P10	12/20/2002	Y	$5400	$0	$0		555555555	Sunny Acres	LOCCS		116		
222222222	12/01/2002	N	11/06/2002	P00	12/20/2002	Y	$2751	$0	$2751	12/23/2002	555555555	Sunny Acres	LOCCS		113		
333333333	11/01/2002	N	10/02/2002	P00	10/31/2002		$1452	$0	$1452	11/01/2002	555555555	Sunny Acres	LOCCS		111		
444444444	10/01/2002	N	09/04/2002	P00	09/28/2002		$3212	$0	$3212	10/01/2002	555555555	Sunny Acres	LOCCS		116		
555555555	09/01/2002	N	08/02/2002	P00	08/30/2002		$121	$0	$121	09/03/2002	555555555	Sunny Acres	LOCCS		125		
666666666	08/01/2002	N	07/02/2002	P00	07/31/2002		$442	$0	$442	08/01/2002	555555555	Sunny Acres	LOCCS		123		
777777777	07/01/2002	N	06/03/2002	P00	06/28/2002		$451	$0	$451	07/01/2002	555555555	Sunny Acres	LOCCS		102		
888888888	06/01/2002	N	05/07/2002	P00	05/31/2002		$8945	$0	$8945	06/03/2002	555555555	Sunny Acres	LOCCS		102		
999999999	05/01/2002	N	04/02/2002	P00	04/30/2002		$421	$0	$421	05/01/2002	555555555	Sunny Acres	LOCCS		100		
122222222	04/01/2002	N	03/04/2002	P00	03/29/2002		$2345	$0	$2345	04/01/2002	555555555	Sunny Acres	LOCCS		102		
222222222	03/01/2002	N	02/01/2002	P00	02/28/2002		$2554	$0	$2554	03/01/2002	555555555	Sunny Acres	LOCCS		105		
322222222	02/01/2002	N	01/03/2002	P00	01/31/2002		$1451	$0	$1451	02/01/2002	555555555	Sunny Acres	LOCCS		102		
422222222	01/01/2002	N	12/03/2001	P00	12/29/2001		$3234	$0	$3234	01/02/2002	555555555	Sunny Acres	LOCCS		113		
522222222	12/01/2001	N	11/05/2001	P00	11/30/2001		$1245	$0	$1245	12/03/2001	555555555	Sunny Acres	LOCCS		109		
622222222	11/01/2001	N	10/03/2001	P00	10/31/2001		$2544	$0	$2544	11/01/2001	555555555	Sunny Acres	LOCCS		105		
722222222	10/01/2001	N	09/05/2001	P00	09/28/2001		$2454	$0	$2454	10/01/2001	555555555	Sunny Acres	LOCCS		111		
822222222	09/01/2001	N	08/06/2001	P00	09/01/2001		$5755	$0	$5755	09/04/2001	555555555	Sunny Acres	LOCCS		115		
922222222	08/01/2001	N	07/05/2001	P00	08/01/2001		$4541	$0	$4541	08/01/2001	555555555	Sunny Acres	LOCCS		107		
322222222	07/01/2001	N	06/01/2001	P00	07/03/2001		$4552	$0	$4552	07/02/2001	555555555	Sunny Acres	LOCCS		101		
422222222	06/01/2001	N	05/01/2001	P00	05/31/2001		$1525	$0	$1525	06/01/2001	555555555	Sunny Acres	LOCCS		104		
522222222	05/01/2001	N	04/03/2001	P00	04/28/2001		$4145	$0	$4145	05/01/2001	555555555	Sunny Acres	LOCCS		107		
622222222	04/01/2001	N	03/02/2001	P00	04/03/2001		$2454	$0	$2454	04/02/2001	555555555	Sunny Acres	LOCCS		117		
722222222	01/01/2002	N	12/03/2001	P00	12/20/2001		$265	$0	$265	01/01/2001	555555555	Sunny Acres	LOCCS		119		

U.S. Department of Housing and Urban Development
TRACS Voucher Detail

Contract/Project Number: MA05S961003 **Project Name:** Sunny Acres
Voucher ID: 0123456789 **Voucher Date:** 12/01/2002

Transmission Details

Mailbox ID:	TRACM99999TRACM99999
Transmission Date:	11/05/2002

Payment Requested

Total Regular Payment Amount:	$5334
Total Adjusted Payment Amount:	$21926
Voucher Unrequested Amount:	$0
	$0
Total Special Claims Amount:	$255
Total Voucher Amount:	$27515

Over/Under Payment Resolution

Over/Under Payment Resolution Date:	12:00:00 AM
Over/Under Payment:	$0
Notification to HUD:	12:00:00 AM

Owner/Management Details

Owner Name:	SUNNY ACRES, INC.
Owner Signed Name:	SUNNY ACRES, INC.
Owner Signed Title:	OWNER/AGENT
Owner Signed Phone:	
Owner Signed Date:	11/05/2002
Management Agent Name:	SUNNY ACRES MANAGEMENT CO.
Management Agent EIN:	

Project/Contract Details

Section 8 Type:	
HAP Effective 10/1/81:	
HAP Signed 10/3/84:	
AHAP Signed 10/1/81:	

Units

Total Units in Contract:	46
Units Occupied By Lower Income Tenants:	0
Units Occupied By Market Rent Tenants:	0
Units Receiving Subsidy Under Contract:	45
Units In Regular Billing:	45
Units In Adjusted Billing:	47
Units Vacant Under Contract:	1

Exceptions

Project-Based Exceptions in Use:	0
Project-Based Exceptions Allocated:	0
Tenant-Based Exceptions in Use:	0
Total Exceptions:	0
Exceptions Allocations Last Changed:	

RETURN TO VOUCHER QUERY

U.S. Department of Housing and Urban Development
TRACS Voucher Discrepancies

Contract/Project Number: MA05S961003
Voucher ID: 0212003224

Project Name: Sunny Acres
Voucher Date: 12/01/2002

Discrepancy Code	Description	Recommendation	Action Required
VST31	FAX VOUCHER TO 888-555-1234 FOR PAYMENT. A MAILED VOUCHER WILL NOT BE PAID.	VOUCHER REFERRED TO HUD FMC FOR REVIEW. FAX VOUCHER TO 888-555-1234	3

RETURN TO VOUCHER QUERY

Codes Used for TRACS Query Reports

TRACS Certification List

The displayed Action Codes are:

- CT = Correction
- MO = Move-out
- TM = Termination
- GR = Gross Rent
- UT = Unit Transfer
- CC = Combined Contract

The displayed Assistance Status Codes are:

- N = Subsidy type is not subject to the Non-Citizen Rule.
- F = Full assistance while the verification of eligibility is pending. A family is in this status if any member is awaiting verification of eligibility.
- E = All members of the family are eligible under the Non-Citizen Rule. The family receives full assistance.
- C = Continued assistance. The mixed family, resident on/before June 19, 1995, qualifies for continuation of full assistance under the Non-Citizen Rule.
- P = Prorated assistance. The family qualifies for and receives prorated assistance under the Non-Citizen Rule.
- T = Temporary deferral of termination. The family is not eligible for assistance under the Non-Citizen Rule, or the family qualifies for prorated assistance and elects temporary deferral of termination status.

TRACS Certification History List

The displayed Action Codes are:

- CT = Correction
- MO = Move-out
- TM = Termination
- GR = Gross Rent
- UT = Unit Transfer
- CC = Combined Contract

TRACS Certification Member List

The displayed Relationship Codes are:

- D = Dependent
- F = Foster child(ren)
- H = Head of household
- K = Co-head of household
- L = Others living in the unit who are not members of the family
- O = Other adult family member whose income is counted as annual income
- S = Spouse

The displayed Member Eligibility Codes are:

- EC = Member is an Eligible Citizen
- EN = Member is an Eligible Non-citizen
- IC = Ineligible Child of a head of household or spouse
- IN = Member is an Ineligible Non-citizen
- IP = Ineligible Parent of a head of household or spouse
- PV = Member's eligibility status is Pending Verification
- XX = Persons who are not counted under the Non-Citizen Rule (foster children, live-in attendants, persons with a relationship code of "N")

The displayed Special Status Codes are:

- E = Elderly head, co-head, or spouse (at least 62 on certification effective date)
- S = Full-time Student 18 or older
- H = Handicapped/disabled family member.
- J = Dependent whose custody is jointly shared by more than one family.

TRACS Move-In/Move-Out Report

The displayed Move-out Reasons are:

1. Owner-initiated for nonpayment of rent
2. Owner-initiated other than nonpayment of rent
3. Tenant-initiated
4. Death of sole family member
5. Unit transfer between two contracts or projects

TRACS Project Evaluation Report

Potential concerns are flagged for households having:

1. Assets that have increased or decreased by more than $500 or 20%
2. No family income
3. No assets
4. A TTP less than the minimum rent for a Section 8
5. Elderly in the household with no medical allowance

Subsidy Type

1. Section 8
2. Rent Supplement
3. RAP
4. 236
5. BMIR
6. Reserved
7. Section 202 PRAC
8. Section 811 PRAC
9. Section 202/162 PAC

U.S. Department of Housing and Urban Development
TRACS Certification List

Contract/Project Number: LA05S961003

Sorted By: Unit

Select a Tenant Name to view additional certification details.

Tenant Name	SSN	Unit Number	Effective Date	Cert Type	Action Code	Action Effect Date	TRACS Process Date	AP	TTP	Annual Income	Adjusted Income	Gross Rent	Assist Status Code	Project or Contract Number	Subsidy Type	Previous Contract Number	Next Recert Date	Bed-room Count	Over/ Under Housed	Move-In Date
Yu, D.N.	465151321	1101	02/01/2002	AR	UT	02/15/2002	03/06/2002	$-144	$432	$18163	$17293	$288	N	123EE456	7		02/01/2003	1		02/02/2001
Key, L.A.	156462165	1101	06/01/2001	AR	MO	01/28/2002	02/01/2002	$59	$229	$9564	$9164	$288	N	123EE456	7		06/01/2002	1		06/22/2000
Love, T.F.	545132132	1102	06/01/2001	AR	MO	07/09/2001	08/06/2001	$-58	$346	$14244	$13844	$288	N	123EE456	7		06/01/2002	1		06/26/2000
Lou, D.S.	461213546	1103	11/01/2001	IR			11/05/2001	$-24	$312	$13951	$12479	$288	N	123EE456	7		07/01/2002	1		07/16/2001
Morton, K.J.	545211212	1104	07/01/2001	AR			07/05/2001	$91	$197	$9156	$7856	$288	N	123EE456	7		07/01/2002	1		07/27/2000
Show, Q.W.	164512344	1105	12/01/2001	IR	MO	01/25/2002	02/01/2002	$80	$208	$9232	$8321	$288	N	123EE456	7		07/01/2002	1		07/01/2000
Knox, K.U.	422521217	1106	02/22/2002	MI			03/05/2002	$105	$183	$10010	$7333	$288	N	123EE456	7		02/01/2003	1		02/22/2002
Miller, B.M.	465312121	1107	06/01/2001	AR			05/01/2001	$-47	$335	$15112	$13381	$288	N	123EE456	7		06/01/2002	1		06/29/2000
Moore, A.R.	174545451	1108	06/01/2001	AR	MO	11/02/2001	12/03/2001	$-120	$408	$19639	$16322	$288	N	123EE456	7		06/01/2002	1		06/23/2000
Reed, D.Y.	484545414	1109	01/01/2002	*IR*			12/03/2001	$-144	$432	$17670	$17270	$288	N	123EE456	7		11/01/2002	1		11/15/2001
Kile, T.P.	451213212	1110	06/01/2001	AR			05/01/2001	$96	$197	$12083	$7675	$288	N	123EE456	7		06/01/2002	1		06/22/2000
Davis, B.T.	544312121	1111	09/01/2001	IR			09/11/2001	$181	$107	$9942	$4254	$288	N	123EE456	7		06/01/2002	1		06/30/2000
Lynsey, R.M.	966132121	1112	03/01/2002	AR			02/01/2002	$-119	$407	$22753	$16299	$288	N	123EE456	7		03/01/2003	1		03/14/2001
Givens, J.P.	323656532	1113	01/01/2002	AR			12/03/2001	$48	$240	$12503	$9591	$288	N	123EE456	7		01/01/2003	1		01/02/2001
Dowe, J. Y	113641132	1114	06/01/2001	AR	CT		05/01/2001	$143	$145	$8215	$5782	$288	N	123EE456	7		06/01/2002	1		06/30/2000
Martin, P.B.	784513132	1115	06/01/2001	*AR*			07/05/2001	$25	$269	$10896	$10496	$288	N	123EE456	7		06/01/2002	1		06/22/2000
Malone, T. I.	787454351	1116	07/01/2001	AR			07/05/2001	$-191	$439	$20060	$19135	$288	N	123EE456	7		07/01/2002	1		07/05/2000
Reid, C. S.	486453131	1117	10/01/2001	IR			11/05/2001	$83	$205	$32074	$8202	$288	N	123EE456	7		07/01/2002	1		07/05/2000
Bullard, A. N.	233646454	1118	02/01/2002	AR			01/03/2002	$44	$244	$15467	$9770	$288	N	123EE456	7		02/01/2003	1		02/13/2001
Tyler, H. P.	531322121	1119	06/01/2001	AR			05/01/2001	$77	$211	$10116	$8428	$288	N	123EE456	7		06/01/2002	1		06/22/2000
Lee, T. W	521212122	1120	10/01/2001	AR			09/11/2001	$9	$279	$11568	$11168	$288	N	123EE456	7		10/01/2002	1		10/10/2000
Blunt, A. K.	132146465	1121	09/20/2001	MI			11/05/2001	$164	$124	$8553	$4960	$288	N	123EE456	7		09/01/2002	1		09/20/2001
Kerry, J.O.	861321321	1122	01/01/2002	AR			12/03/2001	$0	$288	$14057	$11527	$288	N	123EE456	7		01/01/2003	1		01/04/2001
Lui, J.M.	131646412	1201	06/01/2001	AR			05/01/2001	$-33	$323	$15749	$12906	$288	N	123EE456	7		06/01/2002	1		06/22/2000
Bernard, A.C	446513111	1202	05/01/2002	IR			04/02/2002	$74	$214	$10818	$8550	$288	N	123EE456	7		08/01/2002	1		08/01/2001

Interpreting and printing this page

U.S. Department of Housing and Urban Development
TRACS Certification History List

Head Tenant Name: Knox, K.U.
Head Tenant SSN: 164654312

Project/Contract Number: MA05S961003
Sorted By: Effective Date

Select a Head Tenant Name to view additional certification details.

Head Tenant Name	Head SSN	Unit Number	Effective Date	Seq. Number	Cert Type	Action Code	Action Effective Date	TRACS Process Date	AP	TTP	Annual Income	Adjusted Income	Project/ Contract Number	Subsidy Type	Previous Contract Number	Next Recert Date	Bedrm Count	Over/ Under Payment	Move-In Date
Knox, K.U.	1.6E+08	1051	03/01/2002	1	AR			02/01/2002	$-119	$407	$22753	$16299	123EE456	7		03/01/2003	1		03/14/2001
Knox, K.U.	1.6E+08	1051	12/01/2001	1	IR			12/03/2001	$-109	$397	$22330	$15121	123EE457	7		03/01/2002	1		03/14/2001
Knox, K.U.	1.6E+08	1051	03/01/2001	1	*AR*			04/02/2001	$-105	$393	$21618	$15729	123EE458	7		03/01/2002	1		03/14/2001
Knox, K.U.	1.6E+08	1051	03/14/2001	1	MO			04/02/2001	$-98	$386	$21336	$15438	123EE459	7		03/01/2002	1		03/14/2001

Interpreting and printing this page

RETURN TO QUERY

U.S. Department of Housing and Urban Development
TRACS Certification Discrepancies

Head Tenant Name: Dubou, L.M.
Head Tenant SSN: 164651256

Certification Effective Date: 02/01/2002
Project/Contract Number: MA05S961003

Discrepancy Code	Description	Recommendations	Action Required	Member Number
CE196	TENANT TRANSFERRED INTO AN OCCUPIED UNIT	VERIFY UNIT OCCUPANCY, SUBMIT CORRECTIONS IF NEEDED	3	

Printing this page

RETURN TO QUERY

U.S. Department of Housing and Urban Development
TRACS Certification Member List

Head Tenant Name: Boyer, Michael
Head Tenant SSN: 479700693

Project/Contract Number: 055-45555/MA050018001
Effective Date: 1/23/03

Member Last Name	Member First Name	Member Middle Initial	Member SSN	Alien Registration Number	Relationship Code	Member Number	Date of Birth	Sex	Member Eligibility Code	Special Status Code	Occupation Description
Boyer	Michael	O	479700693		H	1	4/18/1925	M	EC	E	

Interpreting and printing this page

RETURN TO QUERY

U.S. Department of Housing and Urban Development
TRACS Multiple Occupancy Report

Project Number: 055-45555
Contract Number: MA050018001
Report Type: Units (in a project occupied by multiple households)

Unit Number	Contract Number	Head SSN	Head Tenant	Effective Date
119	MA050018001	479700693	Boyer, Michael O	9/4/2002
119	MA050018001	479668414	Wessels, Gertrude A.	10/1/2001

Interpreting and Printing this page

RETURN TO QUERY

U.S. Department of Housing and Urban Development
TRACS Move-In/Move-Out Report

Contract Number: MA050018001

Date Range: 09/01/2002 - 11/01/2002

Total Number of Move-ins: 2

Total Number of Move-outs: 6

* = no move-in or move-out record within date range

Project Number	Unit Number	Bedroom Count	Household Member Count	Move-in Date	Move-out Date	Move-out Reason	Head Tenant Name	SSN
04651219	300-06	2	2	*	9/16/2002	3	Yu, D.N.	132154452
04651219	300-35	2	2	*	10/7/2002	3	Key, L.A.	451122213
04651219	300-35	2	2	*	10/7/2002	3	Key, L.A.	451122213
04651219	300-35	2	2	*	10/7/2002	3	Key, L.A.	451122213
04651219	300-35	2	2	*	10/7/2002	3	Key, L.A.	451122213
04651219	300-35	2	2	*	10/7/2002	3	Key, L.A.	451122213
04651219	415-09	2	2	9/27/2002	*		Love, T.F.	242212123
04651219	420-02	3	3	9/12/2002	*		Young, T.Y.	245612121

Interpreting and Printing this page

RETURN TO QUERY

U.S. Department of Housing and Urban Development
TRACS Project Evaluation Report

Contract Number: MA05T781001 **Total Number of Potential Concerns:** 33

Each row is the current/active certification and the X confirms a potential concern

Project Number	Unit	Head Tenant Name	SSN	Assets Changed by $500/20% (+or-)	No Family Income	No Assets	Sect. 8 TTP <$25	Elderly without Medical Allowance	Totals (X)
082EH140	406	Yu, D.N.	465151321			X		X	2
082EH140	408	Key, L.A.	156462165			X		X	2
082EH140	502	Love, T.F.	545132132					X	1
082EH140	506	Lou, D.S.	461213546					X	1
082EH140	506	Morton, K.J.	545211212					X	1
082EH140	509	Show, Q.W.	164512344					X	1
082EH140	703	Knox, K.U.	422521217					X	1
082EH140	801	Miller, B.M.	465312121			X		X	2
082EH140	803	Moore, A.R.	174545451					X	1
082EH140	809	Reed, D.Y.	484545414					X	1
082EH140	901	Kile, T.P.	451213212					X	1
082EH140	1001	Davis, B.T.	544312121					X	1
082EH140	1101	Lynsey, R.M.	966132121			X		X	2
082EH140	1205	Givens, J.P.	323656532			X		X	2
082EH140	1207	Dowe, J. Y	113641132			X		X	2
082EH140	1209	Martin, P.B.	784513132					X	1
082EH140	1302	Malone, T. I.	787454351			X		X	2
082EH140	1303	Reid, C. S.	486453131					X	1
082EH140	1401	Bullard, A. N.	233646454			X		X	2
082EH140	1504	Tyler, H. P.	531322121					X	1
082EH140	1506	Lee, T. W	521212122			X			1
082EH140	1507	Blunt, A. K.	132146465			X			1
082EH140	1602	Kerry, J.O.	861321321					X	1
082EH140	1701	Lui, J.M.	131646412		X				1
082EH140	1703	Bernard, A.C	446513111					X	1
Totals (X)				0	1	10	0	22	33

Interpreting and Printing this page

RETURN TO QUERY

U.S. Department of Housing and Urban Development
TRACS Verification Report

Contract Number: MA050018001 **Sorted By:** Head Tenant Name

Each row is the most up-to-date certification for an active household.

Project Number	Bedroom Count	Household Member Count	Unit	Head Tenant Name	Head Tenant SSN	Very Low Income Limit ($)	Low Income Limit ($)	Contract Rent ($)	Utility Allow ($)	Gross Rent ($)	Market Rent ($)
12345678	3	4	420-05	Yu, D.N.	465151321	33450	53500	585	69	654	0
12345678	3	1	420-03	Key, L.A.	156462165	17900	28650	585	69	654	0
12345678	3	5	415-01	Love, T.F.	545132132	27650	44250	585	69	654	0
12345678	2	2	301-01	Lou, D.S.	461213546	20500	32750	500	64	564	0
12345678	2	1	301-12	Morton, K.J.	545211212	17900	28650	500	64	564	0
12345678	2	1	300-05	Show, Q.W.	164512344	23400	37450	500	64	564	0
12345678	2	2	301-16	Knox, K.U.	422521217	20500	32750	500	64	564	0
12345678	2	2	300-26	Miller, B.M.	465312121	26750	42800	500	64	564	0
12345678	2	2	300-34	Moore, A.R.	174545451	20500	32750	477	64	541	0
12345678	2	2	301-13	Reed, D.Y.	484545414	20500	32750	500	64	564	0
12345678	2	1	300-32	Kile, T.P.	451213212	23400	37450	500	64	564	0
12345678	2	2	300-12	Davis, B.T.	544312121	26750	42800	500	64	564	0
12345678	2	2	300-24	Lynsey, R.M.	966132121	26750	42800	500	64	564	0
12345678	2	2	300-29	Givens, J.P.	323656532	20500	32750	500	64	564	0
12345678	2	2	300-27	Dowe, J. Y	113641132	26750	42800	500	64	564	0
12345678	2	1	415-07	Martin, P.B.	784513132	23400	37450	500	64	564	0
12345678	2	2	300-13	Malone, T. I.	787454351	20500	32750	500	64	564	0
12345678	2	2	301-02	Reid, C. S.	486453131	20500	32750	500	64	564	0

SAMPLE ELIGIBILITY, INCOME, AND DEDUCTION CHECKLIST

Head of household and/or the co-head should complete.

LIST ALL HOUSEHOLD MEMBERS:

Name (Last, First, M.I.)	**Relationship**	**Date of Birth**	**Sex**	**Social Security #**
____________________	____________	___/___/___	___	______________
____________________	____________	___/___/___	___	______________
____________________	____________	___/___/___	___	______________
____________________	____________	___/___/___	___	______________
____________________	____________	___/___/___	___	______________
____________________	____________	___/___/___	___	______________
____________________	____________	___/___/___	___	______________
____________________	____________	___/___/___	___	______________
____________________	____________	___/___/___	___	______________

ELIGIBILITY:	**YES**	**NO**
1. I have a family member who is absent from the home due to:		
Employment	_____	_____
Military service	_____	_____
Placement in foster care	_____	_____
Temporarily in nursing home or hospital	_____	_____
Permanently confined to nursing home	_____	_____
Away at school	_____	_____
Other	_____	_____
2. I have a live-in attendant	_____	_____
3. Expected changes in household:		
Baby due on ______________	_____	_____
Adopting a child(ren) on ___________	_____	_____
Obtaining custody of a child(ren) on ____________	_____	_____
Obtaining joint custody of a child(ren) on ___________	_____	_____
Receiving a foster child(ren) on ___________	_____	_____

INCOME, ASSET, AND DEDUCTIONS

A. Income:	**YES**	**NO**
1. Are you or any other members of the household currently receiving income from any of the following sources?		
Wages/salaries	_____	_____
Wages earned through a government program such as Senior Aides, Older American Community Service Employment Program, AmeriCorps If yes, which program: ___________________________	_____	_____
Tips, bonuses or commissions	_____	_____
Overtime pay	_____	_____
Income from operation of a business	_____	_____
Social Security	_____	_____
Disability/SSI	_____	_____
Death benefits	_____	_____
Pensions/retirement funds	_____	_____
Annuities or non-revocable trust	_____	_____
Unemployment	_____	_____
Military pay	_____	_____
Workman's Compensation	_____	_____
Public assistance/TANF	_____	_____
Alimony	_____	_____
Child support	_____	_____
Income from rent or sale of property	_____	_____
Periodic payments from lottery winnings	_____	_____
Regular recurring contributions from persons or agencies outside of household	_____	_____
Insurance policies	_____	_____
Severance pay	_____	_____
Other	_____	_____
2. Did you or any other members of the household file a federal tax return last year?	_____	_____
3. Are there any adult members of the household (18 years of age or older) receiving income not listed above?	_____	_____

If yes, specify the source of the income____________________

B. Assets:	**YES**	**NO**
1. Do you or any other members of the household have any of the following:		
Checking accounts	_____	_____
Savings accounts	_____	_____
Certificates of deposit	_____	_____
Money market funds	_____	_____
IRA/Keogh account	_____	_____
Stocks	_____	_____
Bonds	_____	_____
Treasury bills	_____	_____
Trust funds	_____	_____
If yes, is the trust irrevocable?	_____	_____
Real estate	_____	_____
Whole life or universal life insurance policy	_____	_____
Cash held in safety deposit boxes or home	_____	_____
Assets held in another state or foreign country	_____	_____
Other	_____	_____
2. Have you or any other members of the household received any lump sum payments, such as:		
Inheritance	_____	_____
Lottery winnings	_____	_____
Insurance settlements	_____	_____
Other	_____	_____
3. Have you or any other household members disposed of any asset(s) for less than fair market value in the past two (2) years?	_____	_____
4. Do you or any other household members have any assets that are held jointly with another person?	_____	_____

DEDUCTIONS:	**YES**	**NO**
1. Are there any fulltime students 18 years of age or older in the household?	_____	_____
2. Is any household member elderly (age 62 or older) or a person with disabilities?	_____	_____

3. Do you have medical expenses that are not paid for by an outside source such as insurance? _____ _____

4. Do you have disability expenses that are not paid for by an outside source? _____ _____
   If yes, is this service necessary to enable a family member (including the member with a disability) to be employed? _____ _____

5. Do you have attendant care expenses? _____ _____
   If yes, is this service necessary to enable a family member (including the member with a disability) to be employed? _____ _____

6. Do you currently pay for childcare services for any children under the age of 13 residing in your household? _____ _____
   If yes, is this service necessary in order for you to be employed or to attend school? _____ _____
   If yes, are any of these expenses reimbursed by an outside source? _____ _____

Penalties for Committing Fraud: The United States Department of Housing and Urban Development (HUD) places a high priority on preventing fraud. If your application or recertification forms contain false or incomplete information, you may be:

- Evicted
- Required to repay all overpaid rental assistance you received
- Fined up to $10,000
- Imprisoned for up to five years
- Prohibited from receiving future assistance

Your State and local governments may have other laws and penalties as well.

By signing below I am certifying that I have completed this questionnaire and that the answers that I have given are true and complete to the best of my knowledge.

____ ____/____/____
Head of Household Date

____ ____/____/____
Co-head of Household Date

Required Tenant File Documentation

Tenant file records are critical pieces of source documentation, perhaps *the* critical source documentation, used as evidence to support determinations and conclusions in all areas of occupancy monitoring. The tenant file records must be complete and contain all information and forms relevant to occupancy at the project, including:

I. Application/Household Information

A. Pre-application/application
B. Screening information/forms
C. Verification/certification of social security numbers (family members age 6 and older)
D. Citizenship declaration/immigration status (all family members)
E. Consent forms
   1. HUD-9887, Notice and Consent to the Release of Information (family members age 18 and older)
   2. HUD-9887-A, Applicant's/Tenant's Consent to the Release of Information (family members age 18 and older)
F. Preference verification, if applicable
G. Eligibility verification documents (e.g., person with disabilities, elderly, live-in aide, assistive animal, etc.)
H. Acknowledgement of the head of household's receipt of lead based paint disclosure brochure, if applicable
I. Acknowledgement of head of household's receipt of *Resident Rights and Responsibilities* brochure
J. Race and ethnicity certification

II. Lease

A. Lease
B. Lease amendments/addendums/agreements
C. Project rules and regulations
D. Pet rules and pet deposit receipt, if applicable
E. Security deposit receipt, if applicable
F. Move-in inspection report
G. Annual inspection reports
H. Lead-based paint addendum, if applicable

III. Certification/Recertification

A. Initial, interim, and annual recertifications
B. Recertification notices (initial and, if applicable, first, second, and third)
C. Verifications for income, assets, and deductions
D. 59 data requirements printout signed by owner/agent or manager who has authority to sign on behalf of the owner and the head, spouse, co-head, and all other family members age 18 or older (It is recommended that certifications and supporting documentation be filed in chronological order with the most recent certification supporting documents on top)
E. Disposal of assets verification (head of household, spouse, co-head)
F. Payment plans, if applicable
G. Correspondence both issued to, or received from, tenant(s)

IV. Other Files That Need to Be Maintained

A. Move-out files

The current tenant file will become the move-out file. In addition to the above items, the move-out files must contain:

1. Copy of the intent to vacate notice received from the tenant
2. Copy of the notification provided to HUD or the contract administrator
3. Move-out inspection report
4. Copy of the security deposit disposition notice provided to the tenant
5. Documents supporting retaining all or a portion of the security deposit
6. Special claims and supporting documentation

B. Application/Reject Files

1. Application
2. Documentation to support the reason(s) for rejecting, such as screening information from previous landlords, personal references, credit reports, criminal activity, failure to declare citizenship or provide social security numbers, and refusal to sign consent forms
3. Copy of the written notice of rejection sent to the applicant
4. Any information or letters regarding appeals by applicants

Instructions for Completing the Tenant File Review Worksheet

These instructions are organized by section and question number on the Tenant File Review Worksheet (see Attachment 7). **Only questions related to income and rent determination are addressed in this document.**

Section A. Household Information

Question A.2: *Household members identified correctly?*

The reviewer will compare the code shown for each household member on the 59 data requirements printout to the information on the application, certification checklist or other information received from the applicant/tenant to determine the accuracy of the codes. The reviewer will use the household composition to determine the correct unit size for the household and to determine whether or not the household qualifies for income exclusions and deductions.

The Relationship Codes are:

H	Head
S	Spouse
K	Co-head
D	Dependent
O	Other adult member
F	Foster child
L	Others living in the unit who are not a member of the tenant family

Question A.3: *Unit size appropriate for household?*

The reviewer will use the tenant selection plan to determine the occupancy standards developed for the project and will ensure that the standards have been followed when assigning the family a unit.

Occupancy standards outline the owner's policy concerning the number of occupants that can reside in a unit, based on the size of the unit or number of bedrooms in the unit. It is important that the units are not under-occupied, as this will result in HUD paying more assistance than the household is entitled to receive.

Question A.4: *Was household income eligible at move-in?*

In order to qualify for occupancy, the family's annual income must not exceed the applicable income limit for the assistance contract.

The reviewer should have determined the appropriate income limit (low-income limit or very low-income limit) for the contract being reviewed when preparing for the review. The reviewer will verify that the owner is using the correct income limit applicable to the contract.

The reviewer will compare the family's annual income amount shown on the 59 data requirements printout to the applicable income limit for the contract to determine if the household was income eligible at move-in.

Note: For the Rent Supplement Program, the tenant is eligible for assistance at move-in or initial certification only if the total tenant payment (TTP) is less than 90 percent of the gross rent.

Question A.5: ***If household was not eligible at move-in, was an exception granted?***

In some instances, exceptions can be given to the income limits for assisted projects. Refer to Handbook 4350.3 REV-1 for more details on waivers of income limits.

The reviewer will look at the 59 field, Income Exception Code, to determine if an income exception has been granted. If an exception has been granted, a copy of the letter approving the waiver must be in the tenant file.

The Income Exception Codes are:

CV	The tenant: 1. Was converted (or is now being converted) from the Rental Assistance Payment (RAP) or Rent Supplement 2. Received (or will now begin to receive) Section 8 as a result of a sale of a HUD-owned project
EDT	HUD approved an exception for an in-place tenant who would otherwise be displaced, as described in HUD Handbook 4350.3.
EIT	Do not use this code for new move-ins. Continue to use this code for tenants who previously received a HUD-approved income exception.
EAT or AA	Do not use this code for new move-ins. Continue to use this code for tenants who previously received an exception based upon these codes.
EP	Tenant was admitted under one of the HUD-approved project-based exceptions, as described in HUD Handbook 4350.3.

Question A.8: ***HUD-9887 and HUD-9887-A consent forms signed by head, spouse, and co-head regardless of age and family members at least 18 years of age?***

Each family member who is at least 18 years of age, and each family head, spouse and co-head regardless of age, must sign the HUD-required consent forms at move-in, initial certification, and annual recertification. The required consent forms are HUD-9887, *Notice and Consent for the Release of Information*, and HUD-9887-A, *Applicant's/Tenant's Consent to the Release of Information*. Applicants who fail to sign these forms are denied assistance, while in-place tenants who refuse to sign will have their assistance terminated.

The reviewer will confirm that the appropriate family members listed on the 59 data requirements printout have signed the HUD-9887 and HUD-9887-A at move-in, initial certification, and each annual recertification. Family members will sign on the same form HUD-9887, not individual forms. Each family member will sign a separate HUD-9887-A.

Question A.10: ***Social Security numbers for all family members or certification if no Social Security number?***

Families must disclose social security numbers for all family members six years of age or older and provide proof of the numbers reported in order to be eligible for occupancy and housing assistance. If a social security number has not been assigned to a family member, the applicant must sign a certification stating that no social security number has been assigned.

The reviewer will verify that the file documentation shows that the family has disclosed and the owner has verified the social security numbers for all family members age six or older or has received a certification for those family members who do not have a social security number.

Documentation in the file does not have to be a copy of the social security card. Alternate methods of verification are acceptable.

Question A.11: ***Declaration of citizenship or eligible immigrant status?***

Only U.S. citizens or eligible non-citizens may receive assistance under the Section 8, Section 236, Rental Supplement, RAP, and Section 202/8 programs. Declaration of citizenship or eligible immigrant status does not apply to 202 or 811 Project Rental Assistance Contracts (PRAC), 202/162 Project Assistance Contracts (PAC), or 221(d)3 Below Market Interest Rates (BMIR).

The reviewer will determine if the project being reviewed provides assistance under one of the programs listed above and is, therefore, required to have tenants declare their citizenship. If citizenship declaration is required, the reviewer will need to verify that all family members have declared their citizenship and the appropriate signed declaration forms are in the tenant file. If the family member(s) is a non-citizen immigrant, the reviewer will need to determine that the appropriate verification was completed with the Immigration and Naturalization Service.

In the case of a "mixed" family, the reviewer will need to determine that the tenant's rent and subsidy were calculated correctly.

The reviewer should review the 59 data requirements printout to determine if the appropriate citizenship codes were used.

The Member Eligibility Codes are:

EC	Individual is a citizen or national
EN	Individual is a non-citizen with eligible immigration status
IC	Ineligible non-citizen child of a family head or spouse (NOTE: A co-head does not qualify for continued assistance)
IN	Member is an ineligible non-citizen
IP	Ineligible parent of a head of household or spouse (NOTE: A co-head is not eligible for continued assistance)
PV	Individual's eligibility status is pending verification
XX	Individuals who are not counted as members of the family (i.e., foster children, live-in attendants, foster adults)

Question A.12: ***Criminal and drug screening; sex offender registration?***

Owners must include screening criteria in their tenant selection plan that prohibits admission of those who have engaged in drug-related or criminal activity.

The reviewer needs to verify that this screening criteria has been included in the tenant selection plan for the project and that there is evidence that the screening is being accomplished and applied consistently.

Question A.13: ***Other screening as disclosed in tenant selection plan?***

The reviewer will determine from the tenant selection plan whether or not other screening criteria is used at the project (e.g., credit history, rental history, and housekeeping habits). During the review of the tenant files, the reviewer will look for evidence that this screening is being accomplished and applied consistently.

Questions A.14, A.15, and A.16: ***Disability, student status, age***

The owner must verify the disability, age, or student status of family members in order to determine if the family qualifies for deductions. The deductions are used to determine adjusted income. The 59 data requirements field for Special Status Code must be completed to indicate that the family is entitled to receive the deduction.

The Special Status Codes are:

E	Elderly head, spouse, or co-head who is at least 62 years old as of the effective date of the certification. (Such individuals must have one of the following Relationship Codes: H, S, or K.)
S	Full-time student who is at least 18 years old as of the effective date of the certification and who is not the head, spouse, or co-head. (Such individuals must have been identified by the Relationship Code D.)
H	Family member who has a disability. (Such individuals must have one of the following Relationship Codes: H, S, K, or D.)
J	Dependent whose custody is jointly shared by more than one family.

The reviewer will check the Special Status Code 59 field to see if any special status codes have been applied. They will then determine that the owner has verified the family member's disability, age, or student status and that the appropriate deductions were given in questions C.10 through C.14.

Section B. Lease

Question B.1: ***Correct HUD model lease used?***

HUD has provided model leases to be used at subsidized projects. There are four model leases:

- Model Lease for Subsidized Programs (Family Model Lease)
- Model Lease for Section 202/8 or Section 202 PACs

- Model Lease for Section 202 PRACS
- Model Lease for Section 811 PRACS

The reviewer must determine which model lease is applicable to the program type being administered at the project under review and verify that the appropriate lease is being used. Lease addendums may be used for updating the lease.

If the lease being used at the property has been modified, the reviewer will need the owner to provide evidence that HUD or the contract administrator has approved the modifications.

Question B.2: ***Original lease and subsequent leases or addendums signed by head, spouse, co-head, all other adult members, and owner?***

The lease and any lease addendums must be signed by the head of household, spouse, any individual listed as co-head, and all adult members of the household, as well as the owner.

The reviewer will review the family composition on the 59 data requirements printout to confirm that the lease contains the appropriate signatures.

Section C. Certification/Recertification Activities

Question C.1: ***Certification notices given?***

Owners are required to provide written notices to tenants regarding the tenant's responsibility to provide information about changes in family income or composition necessary to properly complete an annual recertification. The initial notice must be provided at the initial lease signing and at every annual recertification thereafter. First, second, and third reminder notices must be issued in accordance with HUD requirements. The reviewer must review the file to ensure that the proper notices were given and that the notices were given within the appropriate time frames.

Question C.2: ***Certifications completed on time?***

The move-in certification must be completed and signed by the head, spouse, co-head and all adult family members and the owner prior to the tenant moving in or on the day of move-in. Annual recertifications must be completed prior to the recertification anniversary date. Since the owner is required to give the tenant a 30-day notice of a rent increase, recertifications should be completed 35 days prior to the recertification anniversary date.

Tenants may also report changes that affect the total tenant payment or tenant rent and assistance payment for the tenant between required recertification dates. When this occurs, the owner must prepare an interim recertification.

The tenant files must contain the recertification notices addressed in question C.1, so that the reviewer can follow the owner's recertification process. When certifications are not completed on time, the reviewer must determine who caused the delay, the tenant or the owner. Knowing who caused the delay is important because this affects whether or not the owner is entitled to receive housing assistance back to the original recertification anniversary date. If an interim recertification is prepared, the reviewer needs to determine if the owner processed it in a timely manner.

Questions C.3 – C.8: *Income*

The owner must interview the applicant or tenant to gather all of the information relating to income, assets, and family composition. This information is needed to determine anticipated annual income for the tenant family. Once the information is gathered, third party verifications must be obtained.

The reviewer will confirm that the file contains documentation of income and assets reported by the tenant family. An example of good documentation is the use of an income and asset checklist (see ***Attachment 4***, Sample Eligibility, Income, and Deduction Checklist). The reviewer will confirm that the files contain the necessary verification forms to support the income and assets reported by the tenant family.

The income and asset information from the verification forms must agree with the information recorded on the 59 data requirements printout in the applicable income and assets 59 fields. The 59 fields are: Total Assets, Total Income from Assets, Total Employment Income, Total Pension Income, Total Public Assistance Income, Total Other Income, Non-asset Income, and Annual Income Amount. If the verification forms and the 59 fields do not agree, this will result in a rent calculation error.

The reviewer will record on the tenant file worksheet the income and assets reported by the owner on the 59 data requirements printout, as well as the income and assets the reviewer has calculated using the third-party verifications.

Question C.9: *Annual income*

The reviewer will record on the tenant file worksheet the annual income from the 59 data requirements printout as well as add together all income reported, verified, and recorded supported by the third-party verifications.

Questions C.10 – C.14: *Deductions*

The deductions from income that the family may be entitled to receive are listed in questions C.10 through C.14. In order to determine whether or not the family is entitled to any of the deductions, the family composition and other information (e.g., age, fulltime student status, etc.) must be determined. The owner must obtain third-party verifications to support any deductions or expenses.

The reviewer will examine the 59 data requirements printout to determine if the family composition and other family information indicate that the family is eligible to receive any of the deductions (see Questions A.14, A.15, and A.16 relating to Special Status Codes). Once the reviewer determines the deductions the family is eligible to receive, he/she will then ensure that the file contains the necessary third-party verifications and that all deductions have been calculated correctly. The reviewer will record on the tenant file worksheet the amounts reported on the 59 data requirements printout for deductions and expenses, along with the amounts supported by the third-party verifications. The verified deductions must agree with the 59 data requirements printout fields for deductions. If they do not agree, this will result in a rent calculation error.

The 59 data fields for deductions are: Dependent Allowance, Disability Expense, Medical Expense, and Elderly Allowance.

Question C.16: *Total adjusted income*

The reviewer will deduct the total deductions from the annual income amount to determine adjusted income. The adjusted income is the amount used to calculate the total tenant payment, tenant rent, utility reimbursement (if applicable), and the assistance payment.

The reviewer will record the adjusted income shown on the 59 data requirements printout on the tenant file review worksheet as well as calculating the adjusted income supported by the third-party verifications.

Questions C.18 – C.22: *Rent types*

As part of the desk review, the reviewer should have determined the approved rents for the project from either the HUD-approved Rent Schedule (HUD-92458) or the housing assistance contract. The approved rents will be used to verify that the owner is using the correct rents when calculating the assistance payment HUD will pay on behalf of the tenant family.

The reviewer will compare the approved rents from the rent schedule or assistance contract to the applicable fields on the 59 data requirements printout. The applicable 59 fields are Contract Rent Amount, Utility Allowance Amount, and Gross Rent. If the reviewer finds a discrepancy in the rents used, this will result in an assistance calculation error.

Questions C.23 – C.28: *Rent and subsidy calculations*

The rent calculation is based on the adjusted income for the family. The reviewer must determine if the rent was calculated according to the appropriate rent formula for the type of assistance the family is receiving (see rent formulas on Fact Sheet for Determining Rent, Attachment 1).

The reviewer will find the results of the rent calculation recorded on the 59 data requirements printout in 59 fields Total Tenant Payment, Tenant Rent, Utility Reimbursement, and Assistance Payment Amount. The reviewer must be familiar with the rent formulas for all of HUD's subsidy programs in order to determine that the correct rent formula was used in the rent calculations. The reviewer must determine what the family should have paid in the event that errors were found in calculating the income, asset, and deduction information. If the reviewer finds that the rent and assistance payments were calculated incorrectly, the error will be recorded either on the Tenant File Error Summary, Attachment 8 or directly to the Quality Control Tracking Log, Attachment 10.

When a project has a utility allowance the family may be entitled to receive a utility reimbursement. The reviewer will need to check the owner records to verify that the utility reimbursement was paid to the family within 5 business days.

Projects with Section 8 assistance have a minimum rent requirement of $25.00. If the family is not paying the $25.00 minimum rent, the reviewer will need to verify that an exemption from paying minimum rent has been granted. Minimum rents do not apply to 202 or 811 PRACS, 202/162 PACS, Section 236, Rent Supplement, or BMIR projects.

Section D. Billing

Question D.1: ***Does the assistance payment requested on the monthly billing (HUD-52670-A) agree with the assistance payment on the 59 data requirements printout?***

The reviewer will obtain copies of the monthly billing requests that the owner submitted to HUD or the contract administrator (CA). The reviewer will compare the amount requested on the monthly billing(s) for the unit/family with the amount listed in the Assistance Payment 59 field to determine that the owner is requesting the correct amount.

Question D.2: ***If required, have adjustments been made to the monthly billing?***

Because the owner requests the assistance for Section 8, PRAC, and PAC residents in advance (e.g., the May voucher is due to HUD or the CA by April 10), owners will need to make adjustments for activity that occurs during the month. Actions that may require adjustments are unit transfers, move-in, move-out, interim recertifications, and past due annual recertifications.

The reviewer will need to determine whether or not an adjustment is required and verify that the adjustment was made and was calculated correctly.

Sample Tenant File Review Worksheet

Instructions: Review the appropriate number of tenant files and complete this worksheet for each file reviewed. Indicate the initial move-in date in the appropriate box and, if applicable, indicate the current recertification year. Indicate each document available in the tenant file by marking the appropriate corresponding box (Yes, No, or N/A).

Date:	Reviewed by:
Type of Review: Applicant Rejection ☐ Tenant Move-In ☐ Tenant Move-Out ☐ Certification/Recertification ☐ **If Certification/Recertification, indicate certification type:** Certification type: Initial ☐ Annual ☐ Interim ☐ N/A ☐:	
Project Name:	**Type of Housing:** Elderly ☐ Family ☐ Disabled ☐
Project No.: Contract No.:	**Type of Subsidy**: Section 8 ☐ PRAC ☐ Section 236 ☐ PAC ☐ 221(d)(3) BMIR ☐ Rental Supplement ☐
Family Name:	Unit Number:
Bedroom Size: 0 Bedrooms ☐ 1 Bedroom ☐ 2 Bedrooms ☐ 3 Bedrooms ☐ 4 Bedrooms ☐ 5 or more Bedrooms ☐	Effective date of certification(s) reviewed:

A. HOUSEHOLD INFORMATION

	Yes	No	N/A	Comments:
1. Application complete and stamped by owner for date and time received?	☐	☐	☐	
2. Household members identified correctly? (head, spouse, dependent, live-in aide)	☐	☐	☐	
3. Unit size appropriate for household?	☐	☐	☐	
4. Was household income eligible at move-in?	☐	☐	☐	Over income ☐ Low income ☐ Very low income ☐ Extremely low income ☐
5. If household was not income eligible at move-in, was an exception granted?	☐	☐	☐	
6. *Resident Rights and Responsibilities* acknowledgement?	☐	☐	☐	
7. Ethnicity and racial data certification?	☐	☐	☐	
8. HUD-9887/9887-A Consent forms signed by head, spouse, co-head regardless of age and family members at least 18 years of age?	☐	☐	☐	
9. Lead-based paint acknowledgement, if applicable?	☐	☐	☐	
Have the following items been properly verified and documented?	**Yes**	**No**	**N/A**	**Comments:**
10. Social Security numbers for all family members or certification if no SSN?	☐	☐	☐	
11. Declaration of citizenship or eligible immigrant status?	☐	☐	☐	
12. Criminal and drug screening; sex offender registration?	☐	☐	☐	
13. Other screening as disclosed in tenant selection plan?	☐	☐	☐	
14. Disability, if applicable?	☐	☐	☐	
15. Student status, if applicable?	☐	☐	☐	
16. Age, if applicable?	☐	☐	☐	

B. LEASE				
	Yes	**No**	**N/A**	**Comments:**
1. Correct HUD model lease used?	☐	☐	☐	
2. Original lease and subsequent leases or addendums signed by management, head, spouse, co-head, and all other adult members of the household?	☐	☐	☐	
4. Are applicable attachments attached to the lease, (e.g., house rules, pet rules, unit inspection report)?	☐	☐	☐	
5. If security deposit is required, was it correct? If required, enter amount here:	☐	☐	☐	
6. If pet deposit is required, was it correct? If required, enter amount here:	☐	☐	☐	
7. If pet deposit was paid in installments was payment in accordance with the pet regulations?	☐	☐	☐	
8. Move-in inspection dated and signed by tenant and management?	☐	☐	☐	
9. Annual inspections documented in file?	☐	☐	☐	

C. CERTIFICATION/RECERTIFICATION ACTIVITIES				
	Yes	**No**	**N/A**	**Comments**
1. Certification notices given?	☐	☐		
2. Certifications completed on time?	☐	☐		

All reported income and deductions verified and calculated correctly?	**Verified?**		**Reported on '59**	**Should have reported on '59**
	Yes	**No**		
3. Wages	☐	☐	$	$
4. Social Security benefits	☐	☐	$	$
5. Welfare/public assistance/TANF	☐	☐	$	$
6. Other income	☐	☐	$	$
ASSETS: (Includes income from 7 or 8 below, whichever is greater)				
7. Actual income from assets	☐	☐	$	$
8. Imputed income when assets greater than $5,000	☐	☐	$	$
9. TOTAL ANNUAL INCOME (Total of Lines 3 through 6 plus applicable Line 7 or Line 8)			$	$
10. Dependent	☐	☐	$	$
11. Medical	☐	☐	$	$
12. Disability expenses	☐	☐	$	$
13. Childcare	☐	☐	$	$
14. Elderly/disabled household	☐	☐	$	$
15. TOTAL DEDUCTIONS (Total of Lines 10 through 14)			$	$
16. TOTAL ADJUSTED INCOME (Line 9 – Line 15)			$	$

17. Is a HUD-approved Rent Schedule (HUD-92458) on file? Yes ☐ No ☐
(If yes, list and compare the rental charges.)

Rent Types	Rent Used	Form HUD-92458-Rent Schedule
18. Contract rent	$	$
19. Gross rent	$	$
20. Basic rent	$	$
21. Market rent	$	$
22. Was the correct unit rent used for rent determination? Yes ☐ No ☐		

Enter the amounts for the following:	Owner-calculated rent/assistance	Reviewer-calculated rent/assistance
23. Total tenant payment:	$	$
24. Tenant rent:	$	$
25. Utility reimbursement:	$	$
26. Assistance Payment:	$	$

	Yes	No	N/A	Comments:
27. Tenant paying minimum rent?	☐	☐	☐	
28. Has a hardship exception been granted for paying minimum rent?	☐	☐	☐	
29. If applicable, was utility reimbursement distributed within five business days of receiving the housing assistance payment?	☐	☐	☐	
30. If applicable, was a 30-day notice provided to tenant to inform them of rent increase?	☐	☐	☐	
31. If applicable, has tenant entered into a payment plan for monies due to the project?	☐	☐	☐	

D. BILLING

	Yes	No	N/A	Comments:
1. Does the assistance payment requested on the monthly billings (HUD-52670-A) agree with the assistance payment on the 59 data requirements printout?	☐	☐	☐	
2. If required, have adjustments been made to the monthly billing?	☐	☐	☐	

E. MOVE-OUT

	Yes	No	N/A	Comments:
1. Move-out notice from tenant?	☐	☐	☐	
2. Move-out inspection?	☐	☐	☐	
3. If move-out inspection, is it dated?	☐	☐	☐	
4. If move-out inspection, is it signed by the tenant and the owner/agent?	☐	☐	☐	
5. Was the security deposit returned to tenant within 30 days?	☐	☐	☐	
6. Was there an itemized list of the damages and charges?	☐	☐	☐	
7. Were any additional charges paid by tenant?	☐	☐	☐	
8. Was appropriate adjustment made on monthly billing (HUD-52670-A)?	☐	☐	☐	

F. APPLICANT REJECTION

	Yes	No	N/A	Comments:
1. Was the reason applicant denied admittance in accordance with the tenant selection plan?	☐	☐	☐	
2. Did the rejection letter provide applicant the right to appeal?	☐	☐	☐	
3. If the applicant appealed, was the appeal reviewed by someone other than the person who made the original decision?	☐	☐	☐	
4. Was the appeal processed and applicant notified of appeal decision within five days of the meeting?	☐	☐	☐	

Tenant File Error Summary

Unit No.				Tenant Family:			
	Annual Income	Adjusted Income	TTP	UA	Tenant Rent	Assistance Payment	Total Discrepancy
Owner:	$	$	$	$	$	$	
HUD:	$	$	$	$	$	$	$
Discussion:							

Unit No.				Tenant Family:			
	Annual Income	Adjusted Income	TTP	UA	Tenant Rent	Assistance Payment	Total Discrepancy
Owner:	$	$	$	$	$	$	
HUD:	$	$	$	$	$	$	$
Discussion:							

Unit No.				Tenant Family:			
	Annual Income	Adjusted Income	TTP	UA	Tenant Rent	Assistance Payment	Total Discrepancy
Owner:	$	$	$	$	$	$	
HUD:	$	$	$	$	$	$	$
Discussion:							

Unit No.				Tenant Family:			
	Annual Income	Adjusted Income	TTP	UA	Tenant Rent	Assistance Payment	Total Discrepancy
Owner:	$	$	$	$	$	$	
HUD:	$	$	$	$	$	$	$
Discussion:							

Instructions for Completing the Quality Control Tracking Log

NOTE: Please complete all fields on the log. If a field is not applicable, please indicate so with "N/A".

Report Date: Month and year of the submission. This will usually be the month prior to the date the report is transmitted.

Organization Name: Name of the organization responsible for contract administration for the contracts listed on the log.

Tracking Log Coordinator (TLC): Name, office location, and phone number of the contact person for that organization.

Columns A through L

A. **Error** #: Preprinted numbers used to distinguish different errors found during a review. CAs can see how many errors were found during a month by the number of lines that are filled in on the log.

B. **Reviewer ID:** Each reviewer will be assigned an ID code, which can be a number, letter, or combination of both as determined by each CA. The ID of the reviewer who found the error will be entered here. A key that reveals each reviewer ID used and the corresponding name, organization, and phone number must be maintained (see Reviewer ID Key on page 4); however, the Reviewer ID Key does not have to be submitted to HUD Headquarters with the log.

C. **Contract Number:** Enter the assistance contract number for the unit where the error was detected.

D. **Unit Number**: Enter the apartment number affected by the error.

E. **Tenant Name**: Enter the name of the head of household from the tenant file in which the error was detected.

F. **Type of Review**: Enter the number (see Type of Review codes on page 2) for the type of review conducted when the error was found. If code 5, Other, is selected, please provide an explanation on the Comments sheet (see page 3) of how the error was detected.

G. **Date of Review:** Enter the date of the review.

H. **Type of Error:** Enter the number (see Type of Error codes on page 2) for the type of error detected during the review.

I. **Dollar Subsidy Overpayment Received:** This amount is determined by multiplying the number of months the error existed (Column K) times the dollar amount of the error. NOTE: For repayments that will be made over a period of more than one month, only the amounts received during a given month must be recorded here. All amounts should be recorded and rounded to the nearest dollar.

J. **Dollar Subsidy Underpayment Received:** This amount is determined by multiplying the number of months the error existed (Column K) times the dollar amount of the error. NOTE: For repayments that will be made over a period of more than one month, only the amounts received during a given month must be recorded here. All amounts should be recorded and rounded to the nearest dollar.

K. **Number of Months Error Existed:** Enter the number of months the error existed.

L. **Required Corrective Action by Owner:** Enter the number (see Required Correction of Error codes on page 2) for the corrective action required to resolve the error. If code 5, Other, is selected, please provide an explanation on the Comments sheet (see page 3) of how the error was detected. ***Please note:*** The corrective actions shown on the log should reflect the actual dollar amounts that have been repaid to HUD and/or the tenant.

Quality Control Tracking Log

Report Date: **Month:** ______________ **Year:** ______

Organization Name: ______________ **PBCA** ☐ **Non-PBCA** ☐ **HUD FO** ☐

TLC: **Name:** ______________ **Office:** ______________ **Phone Number:** ______________

A	B	C	D	E	F	G	H	I	J	K	L	M
Error #	**Reviewer I.D.**	**Contract Number**	**Unit Number**	**Tenant Name (Last, First)**	**Type of Review**	**Date of Review**	**Type of Error**	**Monthly Dollar Overpayment Receive**	**Monthly Dollar Underpayment Received**	**# of Months Error Existed**	**Corrective Action**	**Comment on p. 3(√)**
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
							Totals:	0	0			

Description of Codes

Type of Review (Column F)

1.Management and Occupancy Review of property
2. HUD's Annual Compliance Review
3. Monthly Review of owner/agent HAP voucher
4. Performance Review of non-PBCA
5.Other (Specify on Comments section of log)

Required Corrective Action (Column L)

1. Payment to HUD
2. Payment to the tenant
3. Create tenant repayment plan
4. Revise certification procedures
5.Other (Specify on Comments section of log)

Type of Error(Column H)

1. Not reporting all income sources
2. Error in income amounts
3. Rent calculation error
4. Transcription error
5. Incorrect application of deductions
6. Tenant/Owner failure to recertify on time
7. Incorrect tenant payment formula
8. Number of subsidized units on voucher is greater or less than the number authorized in the contract
9. Incorrect income limit utilized
10. Other (Specify on Comments section of log)

Comments

Error #	Column Letter	Comments

Reviewer ID Key

This record of reviewer information should be kept in the CA's files and be available for HUD reviews. It should not be submitted with the tracking log.

Reviewer ID	Name	Organization	Phone Number